



**ARIHANT  
ACADEMY**

**Arihant Academy Ltd.**  
(Formerly known as Arihant Academy Private Limited)

**August 14, 2023**

To,  
The Manager,  
National Stock Exchange of India Limited  
SME Platform – NSE Emerge  
Exchange Plaza, 5th Floor, Plot No. C/1,  
G Block, Bandra-Kurla Complex,  
Bandra Mumbai - 400051.

**NSE Symbol: ARIHANTACA**

**Sub.: Notice of the 16th Annual General Meeting of the Company and submission of Annual Report for the Financial Year 2022-23.**

---

**Dear Sir/Ma'am,**

Pursuant to Regulation 34(1) of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 we are submitting herewith the Annual Report of the Company for the financial year 2022-23 along with the Notice convening the 16th Annual General Meeting scheduled to be held on Thursday September 07, 2023 at 11:00 A.M. (IST) at Ground Floor, Triveni Sadan, Opp. Ambe Mata Temple Carter Road No. 3, Borivali (East) Mumbai MH 400066. The said Notice forms part of the Annual Report 2022-23 and is being sent through electronic mode to the shareholders of the Company.

The aforesaid Annual Report is also available on website of the Company at [www.arihantacademy.in](http://www.arihantacademy.in)

This is for your information and for the information of members of your exchange.

Kindly take the same on record.

Thanking You,

Yours Faithfully,

**For Arihant Academy Limited**

---

**Anil Suresh Kapasi**  
**Managing Director**  
**DIN – 03524165**

**Registered Office**

**Ground Floor, Triveni Sadan, Opp. Ambaji Temple, 3rd Carter Road, Borivali (E), Mumbai - 66. ☎ 9819 888 999**

**[investors@arihantacademy.com](mailto:investors@arihantacademy.com)**

**[www.arihantacademy.com](http://www.arihantacademy.com)**

**CIN: U80903MH2007PLC175500**



**ARIHANT<sup>®</sup>**  
**ACADEMY**



**ANNUAL REPORT**  
**2022-2023**

## **CONTENT OF THE REPORT**

<b>Particulars</b>	<b>Page No.</b>
Corporate Information	3
Managing Director's Message to Shareholders	4
Notice of the Annual General Meeting	5
Boards' Report	19
Annexure to the report of the Board of directors -	
- Annexure – A - Board Report (Form AOC-2)	33
- Annexure – B - Board Report (Form MR - 3)	34
- Annexure – C - Management Discussion & Analysis Report	39
- Annexure – D - Board Report	44
Independent Auditor's Report	45
Balance Sheet	58
Profit & Loss Account	59
Cash Flow Statement	60
Notes to Accounts	61

## **CORPORATE INFORMATION**

### **Board of Directors**

Mr. Anil Suresh Kapasi  
Managing Director

Mr. Umesh Anand Pangam  
Chairman & Whole - Time Director

Mr. Harsh Anil Kapasi  
Non-Executive Director

Ms. Kirti Umesh Pangam  
Non-Executive Director

Mr. Himanshu Rajanikant Mody  
Non-Executive Independent Director

Mr. Chintan Sureshbhai Shah  
Non-Executive Independent Director

Mr. Manish Khodidas Desai  
Non-Executive Independent Director

### **Key Managerial Personnel**

Mr. Shirish Pandurang Kumbhar  
Chief Financial Officer

\*Ms. Deeksha Tiwari  
Company Secretary & Compliance Officer

### **Statutory Auditors**

M/s G. P. Kapadia and Co., Chartered  
Accountants, Firm Registration No. 104768W

### **Secretarial Auditors**

M/s. Dilip Swarnkar & Associates, Company  
Secretary

### **Internal Auditor**

Mr. Shirish Pandurang Kumbhar

### **Registered Office**

Ground Floor, Triveni Sadan, Opp. Ambe Mata  
Temple Carter Road No. 3, Borivali (East)  
Mumbai MH 400066

### **Registrar & Share Transfer Agent**

Bigshare Services Pvt Ltd  
Pinnacle Business Park, Office No S6-2, 6th,  
Mahakali Caves Rd, next to Ahura Centre,  
Andheri East, Mumbai, Maharashtra 400093

### **Contact Us**

Investors Email-Id:  
[investors@arihantacademy.com](mailto:investors@arihantacademy.com)

**Website:**  
[www.arihantacademy.com](http://www.arihantacademy.com)

### **Corporate Identification No.**

U80903MH2007PLC175500

\*Ms. Deeksha Tiwari Resigned w.e.f June 20, 2023

## **MANAGING DIRECTOR MESSAGE TO SHAREHOLDERS**

Dear Stakeholders,

On behalf of the Board of Directors, I am pleased to present to you the Annual Report for the Financial Year ended March 31, 2023 ("F.Y. 2022-23").

It's a moment of immense pleasure for me as we connect this year on the occasion of 16th Annual General Meeting of ARIHANT ACADEMY LIMITED.

It is with pride that I pen this statement. I hope this letter finds you in good health.

We believe in creating value by taking constant efforts towards building capabilities and developing our competitive edge over peers with the help of bringing in diversity and transparency in doing business and would continue to do so in order to become a stronger entity than we were yesterday.

I would like to take this opportunity to thank our employees for sticking through despite the difficult times. Our focus has been to go an extra mile in taking good care of the health of our employees along with the financial health of the Company.

Most importantly, I would like to thank you, our Shareholders, Bankers and other Stakeholders for your overwhelming trust and confidence that helped and motivated us to pursue an agenda that is in the long-term interest of the Company and hope that this mutual relationship will continue to prosper in long run also.

**With Warm Regards,  
Mr. Anil Suresh Kapasi**

**Sd/-**

---

**Managing Director  
Arihant Academy Limited**

## **16th ANNUAL GENERAL MEETING**

**Date:** September 07, 2023

**Day:** 11:00 A.M.

**Venue:** Ground Floor, Triveni Sadan, Opp. Ambe Mata  
Temple Carter Road No. 3, Borivali (East) Mumbai 400066

## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 16th Annual General Meeting of the Members of Arihant Academy Limited ("Company") will be held on Thursday, September 07, 2023 at 11.00 A.M. at Ground Floor, Triveni Sadan, Opp. Ambe Mata Temple Carter Road No. 3, Borivali (East) Mumbai 400066 to transact the following business:

### **ORDINARY BUSINESS:**

#### **1. ADOPTION OF AUDITED STANDALONE FINANCIAL STATEMENTS:**

To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023, together with the Reports of the Board of Directors and Auditors thereon.

#### **2. APPOINTMENT OF MR. HARSH ANIL KAPASI (DIN 09731053) AS NON-EXECUTIVE DIRECTOR, LIABLE TO RETIRE BY ROTATION:**

To appoint a Director in place of Mr. Harsh Anil Kapasi (DIN 09731053) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, seeks re-appointment.

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

**"RESOLVED THAT** pursuant to the provisions of section 152 of the Companies Act, 2013, Mr. Harsh Anil Kapasi (DIN: 09731053) who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Non-Executive Director of the Company.

#### **3. APPOINTMENT OF STATUTORY AUDITOR:**

To appoint M/s. G. P. Kapadia & Company., Chartered Accountants, as Statutory Auditors of the Company to hold office for a period of 5 (Five) consecutive financial years, from the conclusion of the 16th Annual General Meeting of the Company until the conclusion of the 21st Annual General Meeting of the Company and to authorise the Board of Directors of the Company to fix their remuneration.

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

**"RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification, amendment or enactment thereof, for the time being in force), M/s. G. P. Kapadia & Company, Chartered Accountants (Firm Registration No. 104768W) be and are hereby appointed as a Statutory Auditor of the Company to hold the office from the conclusion of the 16th Annual General Meeting until the conclusion of the 21st Annual General Meeting of the

Company to be held in the year 2028 at such remuneration plus applicable taxes and reimbursement of out-of-pocket expenses in connection with the Audit as may be mutually agreed between the Board of Directors of the Company and the Auditors.

**RESOLVED FURTHER THAT** any Director of the Company be and are hereby severally authorized to do all such act, deeds and things to give effect to this resolution."

By Order of the Board of Directors  
For **Arihant Academy Limited**

Sd/-

---

**Anil Suresh Kapasi**  
**Managing Director**  
**DIN: 03524165**

Date: 14.08.2023  
Place: Mumbai

#### **NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as a Proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than ten percent (10%) of the total share capital of the Company. A Member holding more than ten percent (10%) of the total share capital of the Company may appoint a single person as Proxy and such Proxy shall not act as a Proxy for any other Member.

The Proxy form is annexed with this Notice. The instrument appointing the Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed, stamped and signed, not less than 48 hours before the commencement of the Meeting.

Corporate Members intending to send their authorized representatives to attend the Annual General Meeting ("the Meeting") are requested to send to the Company a certified true copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Meeting.

During the period beginning 24 hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting, a Member is entitled to inspect the Proxies lodged, at any time during the business hours of the Company, provided that not less than 3 days of notice in writing is given to the Company by such Member.

2. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
3. The Members/Proxies are requested to bring the attendance slip duly filled in for attending the Meeting.
4. The Register of Directors and Key Managerial Personnel and their Shareholding, the Register of Contracts or Arrangements in which Directors are interested will be available for inspection at the Meeting.
5. All the documents referred to in the Notice are annexed thereto including the Annual Report for the financial year 2022-23 and Notice of the 16th Annual General Meeting are open for inspection by the Members, without any fees, at the Registered Office of the Company at Ground Floor, Triveni Sadan, Opp. Ambe Mata Temple Carter Road No. 3, Borivali (East) Mumbai 400066 between 11.00 a.m. and 01.00 p.m. on all working days except Saturday up to the date of the Meeting and the same shall also be made available for inspection by Members at the Meeting.

Members holding shares in physical form are requested to approach, Bigshare Services Private Limited the Registrar and Share Transfer Agents of the Company situated at Pinnacle Business Park, Office No S6-2, 6th, Mahakali Caves Rd, next to Ahura Centre, Andheri East, Mumbai, Maharashtra 400093 for:

- (a) intimating any change in their address and/or bank mandate;
  - (b) submitting requests for transfer, transmission, name change, split, consolidation, etc.;
  - (c) nominating any person to whom the shares shall vest in the event of death;
  - (d) updating/registering their e-mail address for correspondence; and
  - (e) any other queries with respect to shares held by them.
6. Members holding shares in electronic form are hereby informed that the Company or its Registrar cannot act on any request received directly from them for any change of address and/or bank mandate or change in e-mail address. Such changes are to be intimated only to the Depository Participants of the Members.
  7. Details of Directors retiring by rotation at the ensuing Meeting are provided in the explanatory statement annexed to the Notice pursuant to the provisions of (i) Regulation 36(3) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings (SS-2), issued by the Institute of Company Secretaries of India, forms integral part of the notice.
  8. Members who have not registered their e-mail address for receiving all communications including Annual Report, Notices and Circulars, etc. from the Company electronically, are requested to register the same with their Depository Participants (for shares held in electronic form) and with Bigshare Services Private Limited, the Registrar and Share Transfer Agents of the

Company (for shares held in physical form). Members, who have registered their e-mail address, are also entitled to receive such communication in physical form, upon request.

9. The Register of Members and the Transfer Books of the Company will remain closed from August 31, 2023 to September 07, 2023, both days inclusive.
10. The Board of Director has appointed M/s Dilip Swarnkar & Associates, Practicing Company Secretaries as scrutinizer for the Annual General Meeting of the Company.
11. Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 states that the e-voting facility shall be provided to shareholders in compliance with the conditions specified under Companies (Management and Administration) Rules, 2014, or amendments thereto. However, the Company, being listed on the SME platform of NSE, has been exempted from complying with e-voting requirements vide MCA Notification dated 19th March, 2015 by amendment in Rule 20 of the Companies (Management and Administration) Rules, 2014. Hence pursuant to the aforementioned notification, the e-voting facility has not been provided.
12. The Annual Report for the financial year 2022-23 and Notice of the 16th Annual General Meeting, inter- alia, indicating the process and manner of voting along with Attendance Slip and Proxy Form are being sent in electronic mode to all the Members holding shares in dematerialized form and having their e-mail address registered with their Depository Participants and such other Members who have positively consented in writing to receive the same by electronic mode. Further physical copies of the above-mentioned documents are being sent to all other Members by the permitted mode. Members, who have received the above documents in electronic mode, are entitled to receive the same, free of cost, in physical form, upon making a request in this regard to Bigshare Services Private Limited, the Registrar and Share Transfer Agents of the Company or to the Company. The abovementioned documents are also available for download on the Company's website i.e. [www.arihantacademy.com](http://www.arihantacademy.com) and on the websites of the Stock Exchanges i.e. NSE Limited at [www.nseindia.com](http://www.nseindia.com)
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form are required to submit their PAN details to the Company.
14. Only bonafide members of the Company whose names appear on the Register of Members/Register of Beneficial Owners/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
15. Route Map showing Directions to reach to the venue of the Meeting is given at the end of this Notice

## **EXPLANATORY STATEMENT**

As an additional information, the Explanatory Statement contains material facts pertaining to Ordinary Business mentioned at Item No. 3 of the said Notice.

### **Item No. 3**

M/s. G. P. Kapadia & Company, Chartered Accountants (Firm Registration No. 104768W), be and are hereby proposed to be appointed as the Statutory Auditor of the Company, to hold the office from the conclusion of 16<sup>th</sup> Annual General Meeting, for a single term of 5 (five) years, at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company to be held in the year 2028

This Explanatory Statement is in terms of Regulation 36(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), though statutorily not required in terms of Section 102 of the Act.

After evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., the Board of Directors of the Company ('Board') has based on the recommendation of the Audit Committee, proposed the reappointment of M/s. G. P. Kapadia & Company, as the Statutory Auditors of the Company, for the consecutive period of five years from the conclusion of Sixteenth AGM till the conclusion of Twenty first AGM of the Company to be held in the year 2028, at a remuneration as may be mutually agreed between the Board and the Statutory Auditors.

M/s. G. P. Kapadia & Company have consented to their appointment as the Statutory Auditors and have confirmed that the appointment, if made, would be within the limits specified under Section 141(3) (g) of the Act and that they are not disqualified to be appointed as the Statutory Auditors in terms of the provisions of Section 139 and 141 of the Act and the Rules framed thereunder. M/s. G. P. Kapadia & Company is based in Mumbai, Ahmedabad, Morbi and Dubai. M/s. G. P. Kapadia & Company audits various companies listed on stock exchanges in India.

The Company has in place a Policy for approval of services to be rendered by the Auditors ('Pre-Approval Policy') by the Audit Committee to ensure, inter alia, that the Statutory Auditors function in an independent manner. M/s. G. P. Kapadia & Company was paid a fee of Rs. 3.50 Lakhs for the audit of financial statements of the Company for the financial year ended March 31, 2023 plus applicable taxes and out-of-pocket expenses. Besides the audit services, the Company would also obtain certifications from the Statutory Auditors under various statutory regulations and certifications required by clients, banks, statutory authorities, audit related services and other permissible non audit services as required from time to time, for which they will be remunerated separately on mutually agreed terms, as approved by the Board in consultation with the Audit Committee.

The Board in consultation with the Audit Committee may alter and vary the terms and conditions of re-appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

None of the Directors, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution at Item No. 3 of the accompanying Notice.

Based on the recommendation of the Audit Committee, the Board recommends the Ordinary Resolution set forth at Item No. 3 of the Notice for approval by the Members.

**Form No. MGT-11**

**Proxy Form**

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

CIN: U80903MH2007PLC175500

Name of the Company: ARIHANT ACADEMY LIMITED

Registered Office: Ground Floor, Triveni Sadan, Opp. Ambe Mata Temple Carter Road No. 3, Borivali (East) Mumbai 400066.

E-mail Id:

Folio No./Client Id:

DP. Id:

I/We, being the Member(s) of..... Shares of the above-named Company, hereby appoint

1.

Name:.....

Address:

E-mail Id:

Signature ....., or failing him

2.

Name: .....

Address:

E-mail Id:

Signature ....., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 16th Annual General Meeting of the Company, to be held on Thursday, September 07, 2023, at Ground Floor, Triveni Sadan, Opp. Ambe Mata Temple Carter Road No. 3, Borivali (East) Mumbai 400066 at 11:00 AM and at any adjournment thereof in respect of such resolutions as are indicated below:

**Resolution No.**

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023, together with the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Harsh Anil Kapasi (DIN 09731053) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, seeks re-appointment.

3. To appoint M/s. G. P. Kapadia & Company., Chartered Accountants, as Statutory Auditors of the Company to hold office for a period of 5 (Five) consecutive financial years, from the conclusion of the 16th Annual General Meeting of the Company until the conclusion of the 21st Annual General

Meeting of the Company and to authorise the Board of Directors of the Company to fix their remuneration.

Signed this ..... day of 2023

Affix  
Revenue  
Stamp

Signature of shareholder Signature of Proxy holders(s)

**Notes:**

- 1) This Form of the proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- 2) A proxy need not be a member of the Company.
- 3) A person can act as a proxy on behalf of the members not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the Company carry voting rights.
- 4) If a member holding more than 10% of the total share capital carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other member.
- 5) In case of Joint holder, the vote of the senior who tender as vote, whether in person or by proxy, shall be accepted to the exclusion to the vote of other joint holders. Seniority shall be determined by the order in which the name stand in the register of members.
- 6) The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the Meeting.
- 7) This is optional please put a tick mark ( ) in appropriate column against the resolution indicated above. In case of members wishes his/her vote to be used differently, he/she should indicate the number of shares under the columns "For", "Against". In case the members leave the column(s) blank, the proxy will be entitled to vote in the manner he/she thinks appropriate.
- 8) An instrument of Proxy duly filled, stamped and signed, is valid only for the Meeting to which it relates including any adjournment thereof.
- 9) An instrument of Proxy is valid only if it is properly stamped. Unstamped or inadequately stamped Proxies or Proxies upon which the stamps have not been cancelled are invalid.
- 10) The Proxy-holder should prove his identity at the time of attending the meeting.

- 11) An authorised representative of a body corporate or of the President of India or of the Governor of a State, holding shares in a company, may appoint a Proxy under his signature.
16. A proxy form which does not state the name of the Proxy should not be considered valid.
17. If an undated Proxy, which is otherwise complete in all respects, is lodged within the prescribed time limit, it should be considered valid.
18. If a Company receives multiple Proxies for the same holdings of a Member, the proxy which is dated last is considered valid; if they are not dated or bear the same date without specific mention of time, all such multiple Proxies should be treated as invalid.
19. If a Proxy had been appointed for the original Meeting and such Meeting is adjourned, any Proxy given for the adjourned Meeting revokes the Proxy given for the original Meeting.
20. A Proxy later in date revokes any Proxy/Proxies dated prior to such Proxy.
21. A Proxy is valid until written notice of revocation has been received by the company before the commencement of the Meeting or adjourned Meeting, as the case may be. A Proxy need not be informed of the revocation of the Proxy issued by the Member. Even an undated letter of revocation of Proxy should be accepted. Unless the Articles provide otherwise, a notice of revocation should be signed by the same person who had signed the Proxy.
22. Requisitions, if any, for inspection of Proxies should be received in writing from a Member at least three days before the commencement of the Meeting.
23. Proxies should be made available for inspection during the period beginning twenty-four hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting.

**ATTENDANCE SLIP**

To be surrendered at the time of entry

Folio No. / Client ID: .....

No. of Shares: .....

Name of Member/Proxy: .....

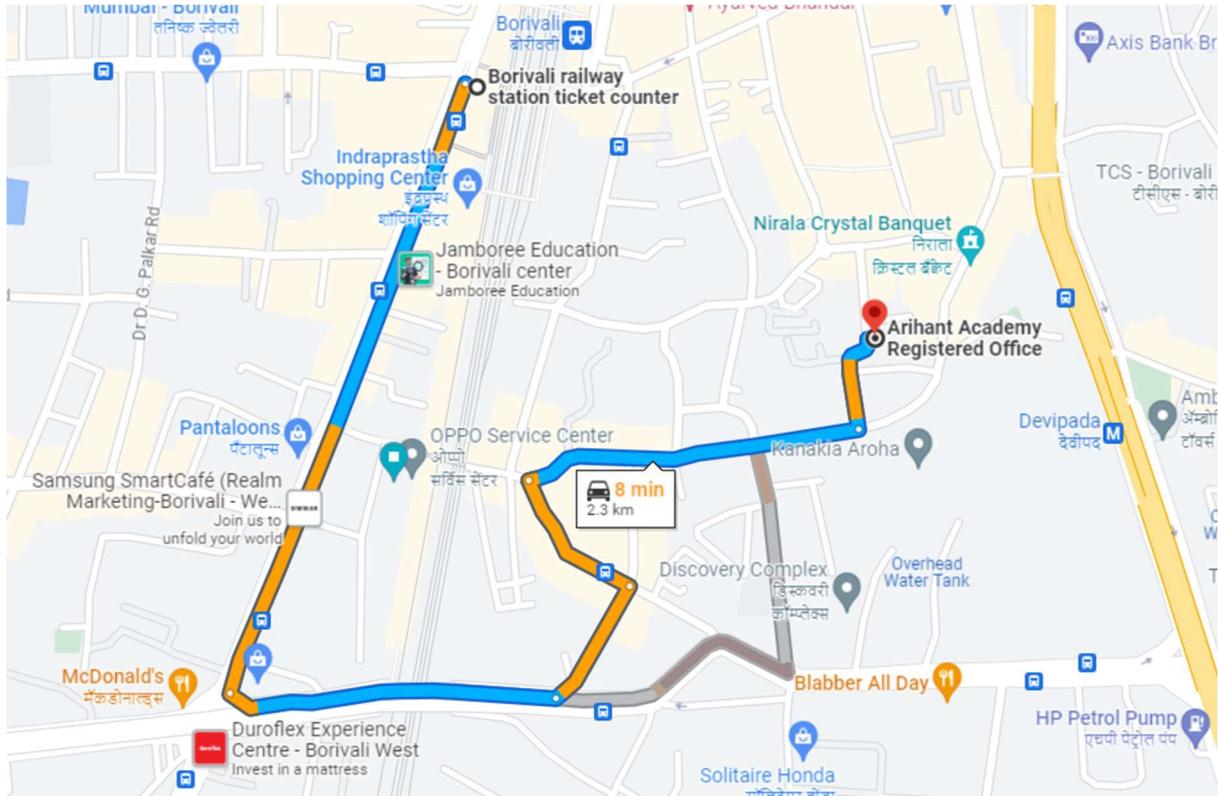
I hereby record my presence at the 16th Annual General Meeting of the Company on Thursday, 07<sup>th</sup> day of September, 2023, at Ground Floor, Triveni Sadan, Opp. Ambe Mata Temple Carter Road No. 3, Borivali (East) Mumbai 400066 at 11:00 A.M.

\_\_\_\_\_  
Member's/Proxy's Signature

Notes:

1. Please refer to the instructions printed under the Notes to the Notice of the 16th Annual General Meeting.
2. Shareholders/Proxy holders are requested to bring the attendance Slip with them when they come to the meeting.
3. No attendance slip will be issued at the time of meeting.
4. Shareholders who come to attend the meeting are requested to bring their copies of the Annual Report with them, as spare copies will not be available at the meeting.

**ROUTE MAP TO THE VENUE OF THE 16TH ANNUAL GENERAL MEETING ON THURSDAY,  
SEPTEMBER 07, 2023 AT 11.00 A.M.**



### Annexure - A

The relevant details of Directors who is proposed to be re-appointed Directors of the Company, as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 issued by the Company Secretaries of India are as under;

<b>PARTICULARS</b>	<b>Harsh Anil Kapasi (DIN 09731053)</b>
Brief Resume of Director	Harsh Anil Kapasi, aged 25 years, is the Non-Executive Director and Chief Operating Officer of our Company. He completed his Bachelor of Engineering (Computer Engineering) from the University of Mumbai in 2020. He is the youngest member of the Board of Directors of our Company. He has been enhancing the digital footprint of "Arihant Academy". He undertakes the new-age initiatives to ensure that we continuously focus on student-centricity even during the pandemic years, by putting learning tools and technology to their best use. He has also developed our App - Arihant Edge App which provides the simplest data like Lecture Schedule, Attendance, and Marks to complex details like Chapter Performance, Time Analysis, Monthly Performance and Assignment or Notes details. He currently looks after the Digital Marketing and Technical Department of our company.
Current Position	Non-Executive Director (Liable to retire by rotation)
Age	25 Years
Qualification & Experience	He has completed his Bachelors of Engineering (Computer Engineering) from the University of Mumbai in 2020
Expertise in Specific functional areas	He has been enhancing the digital footprint of "Arihant Academy". He undertakes the new-age initiatives to ensure that we continuously focus on student-centricity even during the pandemic years, by putting learning tools and technology to their best use. He has also developed our App - Arihant Edge App which provides the simplest data like Lecture Schedule, Attendance, and Marks to complex details like Chapter Performance, Time Analysis, Monthly Performance and Assignment or Notes details. He currently looks after the Digital Marketing and Technical Department of our company.
Date of first Appointment	08/09/2022
Terms and Conditions of Appointment	As per item No. 2 of the Notice convening this meeting
Number of Board Meetings attended during the year	15 Board Meetings
Shareholding in the Company	1.09%
Relationship with Other Directors	Son of Managing Director, Mr. Anil Suresh Kapasi
Other Directorships	NA

Memberships / Chairmanship of Committees	NA
Listed Entity from which he has resigned in the past three years	NA

**Information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to the Appointment of Statutory Auditor in the 16th Annual General Meeting of Company:**

**A) Proposed fees payable to the statutory auditor(s) along with terms of appointment and in case of a new auditor, any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change;**

The Board of Directors of Company has proposed to pay the Audit fees of Rs. 7 Lakhs per annum and other fees/charges for accounting and financial work as mutually decided between Board and Auditor for their appointment in the Company for the period of 5 financial year i.e. from 2023-24 to 2027-28. As per rules of ICAI, the Statutory Auditor of Listed Company must be certified by Peer Review Board Auditor. Further no any material changes in fees payable to the said Auditor for the proposed appointment period of 5 years as compare to financial year 2022-23.

**B) Basis of recommendation for appointment including the details in relation to and credentials of the statutory auditor(s) proposed to be appointed:**

The proposed Statutory Auditor M/s. G. P. Kapadia & Company, Chartered Accountants (Firm Registration No. 104768W) is established in 1929 and has expertise in providing Assurance Services, Auditing Services & Tax Advisory Services. They also provide Management consultancy & Advisory services to wide range of clients. Further, they are not directly and indirectly related to promoters or Directors of the Company.

## **BOARDS' REPORT**

To,  
The Members,  
Arihant Academy Limited

The Board of Directors of the Company have great pleasure in presenting the 16th Boards' Report of the Company together with Audited Financial Results for the year ended March 31, 2023. This report states compliance as per the requirements of the Companies Act, 2013 ("the Act"), the Secretarial Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other rules and regulations as applicable to the Company.

### **1. FINANCIAL PERFORMANCE:**

The highlight of the financial performance of the Company for the year ended March 31, 2023 is summarized as follows:

(Amount in lakhs)

<b>Particulars</b>	<b>FY 2022-23</b>	<b>FY 2021-22</b>
Revenue from Operations	2,311.81	1,520.67
Other Income	117.18	11.30
<b>Total Income</b>	<b>2,428.99</b>	<b>1,531.97</b>
Employee Benefit Expenses	498.87	366.43
Financial Cost	1.57	3.30
Depreciation and amortisation expenses	90.87	53.16
Other Expenses	1,526.87	839.34
<b>Total Expenses</b>	<b>2,118.18</b>	<b>1,262.23</b>
Profit/(Loss) before Tax	310.81	269.75
Less : Exceptional items	78.83	-
<b>Profit/(Loss) before Tax</b>	<b>231.98</b>	<b>269.75</b>
Provision for Taxation (Net)	83.14	68.97
<b>Profit/(Loss) after tax</b>	<b>148.84</b>	<b>200.77</b>
Other Comprehensive income for the financial year	-	-

<b>Total Comprehensive income/(loss) for the financial year</b>	-	-
Earnings per Equity Share (₹) - Face value of 10/- each	4.82	2,007.89

## **2. BUSINESS AND FINANCIAL PERFORMANCE OVERVIEW:**

### **BUSINESS OVERVIEW**

With the motto of building the nation through education, your Company is constantly contributing in the field of education across age groups, all the while maintaining its core values of integrity, ownership, leadership, trust and continuous learning. We believe that every child has a unique and infinite potential and we are committed to help children realise their capabilities.

### **FINANCIAL PERFORMANCE OVERVIEW**

During the year under review, the Company has earned a total revenue of Rs. 2,428.99 Lakhs for the year ended March 31, 2023 as against Rs. 1,531.97 Lakhs in the previous financial year.

The Company has recorded a profit (PBT) of Rs. 231.98 Lakhs for the year ended March 31, 2023 as compared to Rs. 269.75 Lakhs in the previous financial year.

The Profit/ (Loss) after Tax (PAT) for the year ended March 31, 2023 stood at Rs. 148.84 Lakhs as compared to Rs. 200.77 Lakhs in the previous financial year.

## **3. DIVIDEND/ TRANSFER TO RESERVES:**

The Dividend policy for the year under review has been formulated and taking into consideration of growth of the Company and to conserve resources, the Directors do not recommend any Dividend for the year ended March 31, 2023.

In Financial year 2022-23 the reserve maintained with the Company is Rs. 1,359.88 lakhs while in the year 2021-22 reserve was Rs. 491.90 Lakhs.

Your Company has not transferred the profits for year ended March 31, 2023 to Reserves and Surplus.

## **4. CHANGE OF STATUS OF THE COMPANY FROM PRIVATE LIMITED TO PUBLIC LIMITED:**

Pursuant to Special Resolution passed at Extra-Ordinary General Meeting held on September 09, 2022 our Company changed the status of the Company from Private Limited Company to Public Limited Company.

**5. MATERIAL CHANGES AND COMMITMENTS BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENT RELATE AND THE DATE OF THIS REPORT:**

There have no material changes and commitments affecting the financial position of the Company which have occurred between the date of the Balance Sheet and the date of this Report.

**6. DEPOSITS:**

The Company has neither accepted nor renewed any deposits falling within the purview of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules 2014 as amended from time to time, during the year under review.

**7. CHANGE IN THE NATURE OF BUSINESS:**

There has been no change in the Business of the Company during the financial year ended March 31, 2023.

**8. CAPITAL STRUCTURE:**

**INITIAL PUBLIC OFFER**

During the year under review, the Company had successfully came out with its maiden SME – IPO (Initial Public Offering). The Public issue consisted of 16,35,200 Equity Shares at price of Rs. 90 (including a premium of Rs. 80/- Equity Shares) aggregating to Rs. 1471.68 Lakhs consisting fully of fresh issue of 16,35,200 Equity Shares aggregating to Rs. 1471.68 Lakhs which was opened for subscription on December 16, 2022 and closed on December 21, 2022 for all the applicants. The Company received the overwhelming response for the said IPO issue and said shares got listed on the NSE – Emerge platform on December 29, 2022. Subsequent to completion of IPO, the paid up share capital of the Company increased to Rs. 6,05,52,000/- (Rupees Six Crore Five Lakh Fifty Two Thousand)

The success of IPO reflects the trust, faith and confidence that customers, business partners and markets have reposed in your Company.

**AUTHORIZED SHARE CAPITAL**

The Authorized Share Capital of the Company as on March 31, 2023 was Rs 100,000,000/- (Rupees Ten Crore) divided into 10,000,000 shares of Rs 10/- each.

**ISSUED AND PAID-UP CAPITAL**

The paid-up Equity Share Capital as on March 31, 2023 was Rs. 6,05,52,000/- (Rupees Six Crore Five Lakhs Fifty-Two Thousand Only) divided into 60,55,200 Shares of Rs. 10/- each.

## **CHANGES IN SHARE CAPITAL:**

### **Increase in Paid up Share Capital:**

In the Extra-Ordinary General Meeting of the Company held on August 22, 2022 Company had approved to issue Bonus Shares in proportion of 441 (Four Hundred Forty One) share for every 1 (One) existing Equity Shares held by the members.

## **9. DISCLOSURES RELATING TO HOLDING, SUBSIDIARY, ASSOCIATE COMPANY AND JOINT VENTURES:**

As on March 31, 2023 the Company has no Holding, Subsidiaries, Associate Company, and Joint Venture.

## **10. LISTING OF SHARES:**

The Company's shares are listed on NSE Emerge SME platform with ISIN INE0NCC01015 & Symbol ARIHANTACA.

## **11. DIRECTORS & KEY MANAGERIAL PERSONNEL:**

The composition of Board of Directors and Key Managerial Personnel (KMP) of the Company as on March 31, 2023 were as follows:

<b>Sr. No</b>	<b>Name of Director</b>	<b>Designation</b>	<b>Appointment/ Resignation</b>	<b>Date of Appointment/ Cessation/ Change in Designation</b>
1.	Anil Suresh Kapasi	Managing Director	Change in designation	25/09/2022
2.	Umesh Anand Pangam	Whole-Time Director	Change in designation	25/09/2022
3.	Kirti Umesh Pangam	Non-Executive Director	Appointment	24/09/2022
4.	Harsh Anil Kapasi	Additional Director	Appointment	08/09/2022
5.	Harsh Anil Kapasi	Non-Executive Director	Change in designation	24/09/2022
6.	Himanshu Rajanikant Mody	Non-Executive, Independent Director	Appointment	25/09/2022
7.	Chintan Sureshbhai Shah	Non-Executive, Independent Director	Appointment	25/09/2022
8.	Manish Khodidas Desai	Non-Executive, Independent Director	Appointment	25/09/2022

9.	Shirish Pandurang Kumbhar	Chief Financial Officer	Appointment	23/08/2022
10.	Deeksha Tiwari*	Company Secretary & Compliance Officer	Appointment	25/09/2022

\*Ms. Deeksha Tiwari resigned from the position of Company Secretary & Compliance Officer w.e.f. June 20, 2023.

## 12. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS:

Pursuant to the provisions of sub-section (7) of Section 149 of the Companies Act, 2013, the Company has received individual declarations from all the Independent Directors confirming that they fulfil the criteria of Independence as specified in Section 149(6) of the Companies Act, 2013.

The Independent Director have complied with the Code of Conduct for Independent Directors prescribed in Schedule IV of the Act. In view of the available time limit, those Independent Director who are required to undertake the online proficiency self-assessment test as contemplated under Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014, had committed to perform the test within time limit stipulated under the act. The Company has received declarations from all Independent Directors of the Company confirming that they continue to meet the criteria of Independence as prescribed under Section 149 of the Companies Act 2013.

## 13. BOARD AND COMMITTEE MEETING:

### Number of Board Meetings

The Board of Directors met 21 times during the financial year ended March 31, 2023 on 23-06-2022, 16-08-2022, 19-08-2022, 23-08-2022, 06-09-2022, 08-09-2022, 15-09-2022, 19-09-2022, 22-09-2022, 25-09-2022, 26-09-2022, 17-11-2022, 24-11-2022, 25-11-2022, 26-11-2022, 28-11-2022, 09-12-2022, 26-12-2022, 10-02-2023, 20-02-2023, 28-03-2023 in accordance with the provisions of the Companies Act, 2013 and rules made there under. The intervening gap between two Board Meeting was within the period prescribed under the Companies Act, 2013 and as per Secretarial Standard-1. The prescribed quorum was presented for all the Meetings and Directors of the Company actively participated in the meetings and contributed valuable inputs on the matters brought before the Board of Directors from time to time.

### Attendance of Directors in the Board Meeting:

Sr. No.	Name of Directors	No. of Board Meetings	
		Entitled to attend	Attended
1.	Anil Suresh Kapasi	21	21
2.	Umesh Anand Pangam	21	21
3.	Kirti Umesh Pangam	12	12
4.	Harsh Anil Kapasi	15	15
5.	Himanshu Rajanikant Mody	7	7
6.	Chintan Sureshbhai Shah	7	7

7.	Manish Khodidas Desai	7	7
----	-----------------------	---	---

#### 14. COMMITTEES OF THE BOARD:

The Company has three committees viz; Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee which has been established as a part of the better Corporate Governance practices and is in compliance with the requirements of the relevant provisions of applicable laws and statutes.

##### I. Audit Committee:

The Audit Committee of the Company is constituted under the provisions of section 177 of the Companies Act, 2013.

Composition of the Committee:

Sr. No.	Name	Designation
1.	Mr. Manish Khodidas Desai	Chairman
2.	Mr. Chintan Sureshbhai Shah	Member
3.	Mr. Anil Suresh Kapasi	Member

All the recommendation made by the Audit Committee in the financial year 2022-23 was approved by the Board.

Meeting of Audit Committee and Relevant Quorum:

The Audit Committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings. The quorum for Audit Committee meeting shall either be two members or one third of the members of the Audit Committee, whichever is greater, with at least two Independent Directors.

The Chairman of the Committee must attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

During the year under review, the Company held 3 (two) Audit Committee meetings.

Company Secretary shall act as the secretary to the Audit Committee.

##### II. Nomination & Remuneration Committee:

The Nomination & Remuneration Committee of the Company is constituted under the provisions of section 177 of the Companies Act, 2013.

Composition of the Committee:

<b>Sr. No.</b>	<b>Name</b>	<b>Designation</b>
1.	Mr. Chintan Sureshbhai Shah	Chairman
2.	Mr. Himanshu Rajnikant Mody	Member
3.	Ms. Kirti Umesh Pangam	Member

Meeting of Nomination and Remuneration Committee and Relevant Quorum:

The quorum necessary for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members, whichever is greater. The Committee is required to meet at least once a year.

During the year under review, the Company held 1 (one) Nomination and Remuneration Committee meetings.

Company Secretary shall act as the secretary to the Nomination and Remuneration Committee.

### **III. Stakeholder Relationship Committee**

The Stakeholder Relationship Committee of the Company is constituted under the provisions of section 177 of the Companies Act, 2013.

Composition of the Committee:

<b>Sr. No.</b>	<b>Name</b>	<b>Designation</b>
1.	Mr. Himanshu Rajnikant Mody	Chairman
2.	Mr. Manish Khodidas Desai	Member
3.	Ms. Kirti Umesh Pangam	Member

Meeting of Stakeholder's Relationship Committee and Relevant Quorum:

The Stakeholder's Relationship Committee shall meet once in a year. The quorum for a meeting of the Stakeholder's Relationship Committee shall be two members present.

During the year under review, the Company held 1 (one) Stakeholders Relationship Committee meeting.

Company Secretary shall act as the secretary to the Stakeholder's Relationship Committee.

### **15. NOMINATION AND REMUNERATION POLICY:**

The Company believes that building a diverse and inclusive culture is integral to its success. A diverse Board, among others, will enhance the quality of decisions by utilizing different skills,

qualifications, professional experience and knowledge of the Board members necessary for achieving sustainable and balanced development. In terms of SEBI Listing Regulations and Act, the Company has in place Nomination & Remuneration Policy.

The said policy of the Company, inter alia, provides that the Nomination and Remuneration Committee shall formulate the criteria for appointment of Executive, Non-Executive and Independent Directors on the Board of Directors of the Company and persons in the Senior Management of the Company, their remuneration including determination of qualifications, positive attributes, independence of directors and other matters as provided under sub-section (3) of Section 178 of the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force). The Policy also lays down broad guidelines for evaluation of performance of Board as a whole, Committees of the Board, Individual Directors including the Chairperson and the Independent Directors. The aforesaid Nomination and Remuneration Policy has been uploaded on the website of your Company [www.arihantacademy.com](http://www.arihantacademy.com)

#### **16. CORPORATE GOVERNANCE REPORT:**

Since the Company is listed on SME platform of National Stock Exchange of India Ltd., the provisions of Corporate Governance are not applicable on the Company.

#### **17. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:**

The Board members are provided with necessary documents/ brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices, the website link is [www.arihantacademy.com](http://www.arihantacademy.com)

#### **18. ANNUAL EVALUATION:**

Pursuant to the provisions of the Companies Act and the SEBI Listing Regulations, a structured questionnaire was prepared for evaluating the performance of Board, its Committees and Individual Director including Independent Directors. The questionnaires were prepared after taking into consideration the various facets related to working of Board, its Committee and roles and responsibilities of Director. The Board and the Nomination and Remuneration Committee reviewed the performance of the Individual Directors including Independent Directors on the basis of the criteria and framework adopted by the Board. Further, the performance of Board as a whole and committees were evaluated by the Board after seeking inputs from all the Directors on the basis of various criteria. The Board of Directors expressed their satisfaction with the evaluation process. In a separate meeting of Independent Directors, the performance of Non-Independent Directors, performance of Board as a whole and performance of the Chairman was evaluated, taking into account the views of the Executive Directors and Non-Executive Directors.

#### **19. CORPORATE SOCIAL RESPONSIBILITY:**

Provisions of Corporate Social Responsibility pursuant to the provisions of the Section 135 of the Companies Act, 2013 is not applicable on our Company.

## **20. VIGIL MECHANISM FOR THE DIRECTORS AND EMPLOYEES:**

The Company has established a vigil mechanism, through a Whistle Blower Policy, where Directors and employees can voice their genuine concerns or grievances about any unethical or unacceptable business practice. A whistle-blowing mechanism not only helps the Company in detection of fraud, but is also used as a corporate governance tool leading to prevention and deterrence of misconduct.

It provides direct access to the employees of the Company to approach the Compliance Officer or the Chairman of the Audit Committee, where necessary. The Company ensures that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment or victimization. The Whistle Blower Policy is disclosed on the website of the Company at [www.arihantacademy.com](http://www.arihantacademy.com)

## **21. RISK MANAGEMENT:**

The Board of the Company has evaluated a risk management to monitor the risk management plan for the Company. The Audit Committee has additional oversight in the area of financial risk and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on continuing basis.

## **22. PARTICULARS OF LOANS, GURANTEES OR INVESTMENTS UNDER SECTION 186:**

The details of loans, guarantees or investments covered under Section 186 of the Companies Act, 2013 are given in the Note to the Financial Statements.

## **23. MATERIAL ORDERS OF JUDICIAL BODIES/ REGULATORS**

No order, whether significant and/or material has been passed by any regulators, courts, tribunals impacting the going concern status and Company's operations in future.

## **24. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188 OF THE ACT**

All related party transactions that were entered into during the Period under review, were on arm's length basis and in the ordinary course of business. No materially significant related party transactions which required the approval of members, were entered into by the Company during the Period under review. Further, all related party transactions entered into by the Company are placed before the Audit Committee for its approval.

The particulars of the contracts or arrangements entered into by the Company with related parties as referred to in Section 134(3)(h) read with section 188(1) of the Act and rules framed thereunder, in the **Form No. AOC-2** are annexed and marked as **Annexure-A**.

## 25. AUDITORS:

### STATUTORY AUDITORS

The Shareholders of the Company had appointed M/s. G. P. Kapadia and Co., Chartered Accountants, 4th Floor, Haman House Ambalal Doshi Marg, Fort, Mumbai 400001 as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. Bhikhubhai H. Shah & Co., Chartered Accountants to hold office till the conclusion of Annual General Meeting to be held in the calendar year 2023.

The Company has duly received consent and eligibility certificate from M/s G. P. Kapadia and Co.

### SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed M/s. Dilip Swarnkar & Associates, Practicing Company Secretary, as Secretarial Auditors of the Company for the year under review. The Secretarial Audit report received from the Secretarial Auditors is annexed to this report marked as **Annexure B** and forms part of this report.

### INTERNAL AUDITORS

The Board of Directors, based on the recommendation of the Audit Committee and pursuant to the provisions of section 138 of the Act read with the Companies (Accounts) Rules, 2014, has appointed Mr. Shirish Pandurang Kumbhar as the Internal Auditor of your Company for the year under review. The Internal Auditor conducts the internal audit of the functions and operations of the Company.

### AUDITOR'S REPORT AND SECRETARIAL AUDIT REPORT

**Statutory Auditor's Report:** There are no qualifications, reservations or adverse remarks made by Statutory Auditors in the Auditor's report. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company under subsection (12) of section 143 of the Companies Act, 2013, during the year under review.

The notes on accounts referred to the Auditors' Report are self-explanatory and therefore, do not call for any further explanation.

**Secretarial Auditor's Report:** There are no qualifications, reservations or adverse remarks made by Statutory Auditors in the Auditor's report.

## 26. EXTRACTS OF ANNUAL RETURN

In accordance with Section 92(3) and Section 134(3)(a) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the Annual Return as on March 31, 2023 is available on the Company's website [www.arihantacademy.com](http://www.arihantacademy.com)

## **27. MANAGEMENT DISCUSSION & ANALYSIS REPORTS:**

A detailed report on Management Discussion and Analysis (MDA) Report is included in this Report as **Annexure - C**.

## **28. STATEMENT OF UTILISATION OF FUNDS RAISED THROUGH IPO UNDER REGULATION 32 (1) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

During the year under review, the Company has come up with Initial Public offer of 16,35,200 Equity Shares for cash at a price of Rs. 90/- Equity Shares (including a premium of Rs. 80/- Equity Shares), aggregating to Rs. 1471.68 lakhs, consisting of fresh issue of 16,35,200 Equity Shares aggregating Rs. 1471.68 lakhs which was opened for subscription on December 16, 2022 and closed on December 21, 2022 for all the applicants.

Pursuant to Regulation 32(1)(a) and 32(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company hereby states that there was no deviation(s) or variation(s) in the utilization of 'public issue proceeds from the objects as stated in the prospectus dated December 09, 2022 and a statement of deviation or variation of funds raised through Initial Public Offering is uploaded at the NSE website for SME Emerge Platform on May 30, 2023.

## **29. DISCLOSURE UNDER SCHEDULE V(F) OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:**

Your Company does not have any unclaimed shares issued in physical form pursuant to public issue/Right issue.

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

The provisions of Section 134(3)(m) of the Companies Act, 2013 regarding the conservation of energy, technology absorption, foreign exchange earnings and outgo are not applicable to the Company considering the nature of activities undertaken by the Company during the year under review.

## **31. STATEMENT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in this Report as **Annexure D** which forms part of this Report.

### **32. HUMAN RESOURCES**

The relations with the employees and associates continued to remain cordial throughout the year. The Directors of your Company wish to place on record their appreciation for the excellent team spirit and dedication displayed by the employees of the Company.

### **33. NON-APPLICABILITY OF THE INDIAN ACCOUNTING STANDARDS:**

As per provision to regulation Rule 4(1) of the companies (Indian Accounting Standards) Rules, 2015 notified vide Notification No. G.S.R 111 (E) on 16th February, 2015, Companies whose shares are listed on SME exchange as referred to in Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, are exempted from the compulsory requirements of adoption of IND-AS w.e.f. 1<sup>st</sup> April, 2017.

### **34. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:**

The Company is committed to provide a safe and conducive work environment to its employees. There exist at the group level an Internal Complaints Committee ('ICC') constituted under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The group is strongly opposed to sexual harassment and employees are made aware about the consequences of such acts and about the constitution of ICC. During the year under review, no complaints were filed with the Committee under the provisions of the said Act in relation to the workplace/s of the Company.

### **35. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS:**

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board meetings and Annual General Meetings.

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

### **36. MAINTENANCE OF COST RECORD:**

The provisions relating to maintenance of cost records as specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013, were not applicable to the Company upto March 31, 2023 and accordingly such accounts and records were not required to be maintained.

### **37. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS:**

The Company has in place adequate Internal Financial Controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weakness in the design or operation was observed.

### **38. GREEN INITIATIVES**

In compliance with Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website [www.arihantacademy.com](http://www.arihantacademy.com)

### **39. INSOLVENCY AND BANKRUPTCY CODE 2016:**

No application or proceeding was initiated in respect of the Company in terms of Insolvency and Bankruptcy Code 2016.

### **40. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOANS FROM BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:**

During the year under review, there were no transactions or events with respect to the one-time settlement with any bank or financial institution; hence no disclosure or reporting is required.

### **41. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:**

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

### **42. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134 of the Companies Act, 2013 ('the Act'), with respect to Directors Responsibility Statement it is hereby confirmed:

- a) The Financial Statements of the Company - comprising of the Balance Sheet as at March 31, 2023 and the Statement of Profit & Loss for the year ended as on that date, have been prepared on a going concern basis following applicable accounting standards and that no material departures have been made from the same;
- b) Accounting policies selected were applied consistently and the judgments and estimates related to these financial statements have been made on a prudent and reasonable basis, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023, and, of the profits and loss of the Company for the year ended on that date;
- c) Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- d) Requisite Internal Financial Controls to be followed by the Company were laid down and that such internal financial controls are adequate and operating effectively; and

- e) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

**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 Academy Limited**

**Sd/-**

**Umesh Anand Pangam  
Whole- Time Director**

**DIN - 03524171**

**Sd/-**

**Anil Suresh Kapasi  
Managing Director**

**DIN - 03524165**

**Place: Mumbai**

**Date: August 12, 2023**

## **Annexure – A to Board Report**

### **Form No. AOC-2**

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

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

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2023, which were not at arm's length basis.

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

There were no material contracts or arrangements or transactions for the year ended March 31, 2023.

Thus this disclosure is not applicable.

**For and on behalf of the Board**  
**Arihant Academy Limited**

**Sd/-**

**Umesh Anand Pangam**  
**Whole- Time Director**  
**DIN - 03524171**

**Sd/-**

**Anil Suresh Kapasi**  
**Managing Director**  
**DIN - 03524165**

**Place: Mumbai**

**Date: August 12, 2023**

**Annexure – B to Board Report**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT OF  
ARIHANT ACADEMY LIMITED**

**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 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 ACADEMY LIMITED  
GROUND FLOOR, TRIVENI SADAN, OPP. AMBE MATA TEMPLE CARTER ROAD NO. 3,  
BORIVALI (EAST) MUMBAI MH 400066 IN**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ARIHANT ACADEMY LIMITED (CIN: U80903MH2007PLC175500)** ('hereinafter called the Company') for financial year ended March 31, 2023(hereinafter referred to as "**the Audit Period**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

1. We have examined the books, papers, minute books, forms and returns filed during the Audit Period and other records maintained by the Company for the Audit Period, according to the provisions of the following laws:
  - I. The Companies Act, 2013 and the Rules made there under and the applicable provisions of the Companies Act, 1956;
  - II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - IV. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
    - a. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015;
    - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the audit period under report:
- a. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - b. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - d. 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;
  - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - f) As informed and certified by the Management of the Company, there are no other laws, which are specifically applicable to the Company based on their sector/ industry.

We have also examined compliance with the applicable clauses of Secretarial Standards issued by the Institute of Company Secretaries of India during the Audit Period. Further the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that:**

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

Adequate notices are given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that as per the explanations given to us and the representations made by the management and relied upon by us, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the period under review, the Company has not undertaken any specific events/ actions that can have a major bearing on the Company's compliance responsibility in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., except as follows:

**1. Increasing the Authorised Capital of Company:**

The Authorized Share Capital was altered pursuant to reorganization of ₹10,00,00,000/- divided into 1,00,00,000 Equity Shares of ₹10/- each out of which 25,00,000 Equity Shares of ₹10/- each carrying voting rights and 75,00,000 Class A Equity Shares of ₹10/- each carrying no voting rights was converted to ₹10,00,00,000/- divided into 1,00,00,000 Equity Shares of ₹10/- each carrying voting rights vide Shareholders' Resolution dated March 17, 2022.

**2. Issue of Equity Shares pursuant to Bonus Issue:**

The Company has issued 44,10,000 Equity Shares pursuant to Bonus issue as per approval received from shareholders of Company in the meeting held on August 23, 2022.

**3. Conversion of Private Limited into Public Limited:**

The Company was converted from Private to public limited and the name was changed to "ARIHANT ACADEMY LIMITED" vide Special Resolution passed by the Shareholders at the Extra Ordinary General Meeting held on September 9, 2022.

**4. Listing of Shares on SME Emerge Platform of NSE:**

The Company has filed necessary documents to Stock Exchange i.e. National Stock Exchange of India Limited and got listed on NSE Emerge w.e.f. December 29, 2022.

**FOR DILIP SWARNKAR & ASSOCIATES  
COMPANY SECRETARIES**

**DATE: 09-08-2023  
PLACE: MUMBAI**

**Sd/-**

**DILIP KUMAR SWARNKAR  
PROPRIETOR  
ACS 47600 & CP 26253  
UDIN: A047600E000772324**

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

**ANNEXURE – A**

**(To the Secretarial Audit Report of Arihant Academy Limited for the financial year ended March 31, 2023)**

To,  
The Members,  
ARIHANT ACADEMY LIMITED  
GROUND FLOOR, TRIVENI SADAN, OPP. AMBE MATA TEMPLE CARTER ROAD NO. 3,  
BORIVALI (EAST) MUMBAI MH 400066 IN

Our Secretarial Audit Report for the financial year 31<sup>st</sup> March, 2023 is to be read along with this letter.

**Management's Responsibility: -**

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

**Auditor's Responsibility: -**

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Company was listed on 29<sup>th</sup> December, 2022 on NSE Emerge platform, so secretarial audit was conducted to limited extent of applicability of the provisions.

**Disclaimer: -**

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We have not verified the correctness and appropriateness of financial records and books of account of the Company.

**FOR DILIP SWARNKAR & ASSOCIATES  
COMPANY SECRETARIES**

**DATE: 09-08-2023  
PLACE: MUMBAI**

**Sd/-  
DILIP KUMAR SWARNKAR  
PROPRIETOR  
ACS 47600 & CP 26253  
UDIN: A047600E000772324**

## **Annexure – C to Board Report**

### **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

#### **1. INTRODUCTION:**

Our Company was originally incorporated under the name “India Tutorials Private Limited” under the provisions of the Companies Act, 1956 and Certificate of Incorporation was issued by the Registrar of Companies, Mumbai, on October 30, 2007. Subsequently, the name of our Company was changed to “Arihant Academy Private Limited” via Shareholders’ Resolution dated September 18, 2012 pursuant to which fresh Certificate of Incorporation dated October 31, 2012 was issued by Registrar of Companies, Mumbai. Consequently, the status of the Company was changed to public limited and the name of our Company was changed to “Arihant Academy Limited” vide Special Resolution passed by the Shareholders at the Extra Ordinary General Meeting of our Company held on September 09, 2022. The fresh certificate of incorporation consequent to conversion was issued on September 19, 2022 by the Registrar of Companies, Mumbai. The Corporate Identification Number of our Company is U80903MH2007PLC175500. Further the Company has issued share pursuant to Initial Public Offer (IPO) and listed on SME platform of NSE on December 29, 2022.

#### **2. INDUSTRY STRUCTURE:**

India has the largest population in the world in the age bracket of 5-24 years with 580 million people, presenting a huge opportunity in the education sector. India holds an important place in the global education industry. India has one of the largest networks of higher education institutions in the world. However, there is still a lot of potential for further development and improvement in the education system.

With increasing awareness, private Indian players are collaborating with international brands to provide an international standard of education. Private investments in the Indian education sector have increased substantially over the past two decades. The demand for specialised degrees is also picking up with more and more students opting for specific industry focused qualifications. Higher education institutes in India are focusing on creating online programmes due to the increasing demand from consumers.

#### **3. INVESTMENTS/ DEVELOPMENTS:**

From April 2000-March 2023, Foreign Direct Investment (FDI) equity inflows stood at US\$ 9,167.1081 million according to the data released by Department for Promotion of Industry and Internal Trade (DPIIT).

The education and training sector in India has witnessed some major investments and developments in the recent past.

#### **4. OPPORTUNITIES AND THREATS:**

##### **Strength:**

Growth in the Indian economy and demand creates unprecedented opportunities for company to invest significantly in each of its core businesses. Outlook for the overall industries is positive. In keeping with the philosophy of continuous consumer centric approach which is the hall mark of any organization, several developmental activities have been planned for the next fiscal year.

##### **Opportunities:**

- 100% FDI under automatic route is allowed in the Indian education sector.
- To liberalise the sector, the Government has taken initiatives such as the National Accreditation Regulatory Authority Bill for Higher Educational and the Foreign Educational Institutions Bill.
- In July 2022, Prime Minister Mr. Narendra Modi inaugurated a three-day Akhil Bharatiya Shiksha Samagam at Varanasi to discuss how the implementation of the National Education Policy 2020 can be taken further across the country with various stakeholders.
- As part of a comprehensive initiative known as PM eVIDYA, the Department of School Education and the Ministry of Education were recognised by UNESCO for their use of information and communication technology (ICT) during the COVID-19 pandemic.

##### **Threats:**

We operate in a competitive atmosphere. Some of our competitors may have greater resources than those available to us. While product quality, brand value, distribution network, etc are key factors in client decisions among competitors, however, price is the deciding factor in most cases. We face fair competition from both organized and unorganized players in the market. We believe that our experience in this business and quality assurance will be key to overcome competition posed by such organized and unorganized players. Although, a competitive market, there are not enough number of competitors offering services similar to us. We believe that we are able to compete effectively in the market with our quality of services and our reputation. We believe that the principal factors affecting competition in our business include client relationships, reputation, and the relative quality and price of the services.

#### **5. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:**

We provide a comprehensive range of coaching services to students across various fields as mentioned below:

##### **1. Secondary School Section (SSC, ICSE & CBSE BOARD)**

- Class 8, 9 and 10

## 2. Higher Secondary Section

### • Science Section

- Class 11 and 12
- Examinations of Engineering like JEE (Main), JEE (Advanced) and MHT- CET (State level)
- Medical entrance exam NEET (National Level)
- Pharmacy entrance exam MHT- CET (State Level, Maharashtra)

### • Commerce Section

- Class 11 and 12
- CA entrance exams including CA Foundation and CA Intermediate
- CS Entrance exams including CSEET and CS-Executive

## 6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an effective and reliable internal control system commensurate with the size of its operations. At the same time, it adheres to local statutory requirements for orderly and efficient conduct of business, safeguarding of assets, the detection and prevention of frauds and errors, adequacy and completeness of accounting records and timely preparation of reliable financial information. The efficacy of the internal checks and control systems is validated by self-audits and internal as well as statutory auditors.

## 7. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

Share Capital: During the year under review, the Company has increased Paid-up Share capital of Company as per details mentioned below:

Sr. No.	Date of Allotment	Nature of allotment	No. of Equity Shares allotted	Cumulative No. of Equity Shares
1.	23rd August 2022	Bonus Issue	44,10,000	44,10,000
2.	26th December 2022	IPO	16,35,200	6,04,52,000

**Reserves and Surplus:** The Reserve and Surplus of Company is Rs. 1,359.88 Lakhs as on period ended on 31st March, 2023.

**Total Income:** The Company has earned total Income Rs. 2,428.99 Lakhs as on period ended on 31st March, 2023.

## 8. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:

Your Company follows a policy of building strong teams of talented professionals. People remain the most valuable asset of your Company. The Company recognizes people as its most valuable

asset and the Company has kept a sharp focus on Employee Engagement. The Company's Human Resources is commensurate with the size, nature and operations of the Company.

**9. DETAILS OF KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANATIONS THEREFOR:**

Description	As at 31st March, 2023	As at 31st March, 2022	Variance	Remark
Debtors Turnover Ratio	66.28%	-	-	
Inventory Turnover Ratio	NA	NA	NA	NA
Interest Coverage Ratio	148.31			
Current Ratio	2.49	0.99	151.62%	<b>There is variance due to money raised by IPO during the year which has increased the balance of cash and Cash Equivalent.</b>
Debt-Equity Ratio	-	0.26	-100.00%	<b>There is variance as the whole debt is repaid during the year.</b>
Operating Profit Margin (%)	0.15			
Net Profit Margin (%)	5.46%	13%	-58.03%	
Debt Service Coverage Ratio	10.98	6.62	108.91%	<b>There is variance as the whole debt is repaid during the year.</b>
Return on Equity	7.57%	41%	-81.53%	
Trade Receivables turnover ratio	66.28%	-	-	<b>There is variance because earlier there were no debtors and this year debtors is created.</b>
Trade payables turnover ratio	0.00%	52.06%	-100.00%	<b>There is variance due to regrouping of creditors.</b>
Net capital turnover ratio	1.39	-234.04	-100.95%	
Net profit ratio	5.46%	13%	-58.03%	
Return on Capital employed	11.88%	55%	-78.39%	
Return on investment	NA	NA	NA	NA

**10. DETAILS OF ANY CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH A DETAILED EXPLANATION THEREOF.**

The Return on Net Worth for F.Y. 2022-23 was 7.57% and for F.Y. 2021-22 was 40.73%. The Company is in the growth phase and therefore the Company has incurred substantial expenses towards the business growth and for the purpose of fund raising by getting listed on the NSE SME stock exchange.

**11. FORWARD-LOOKING STATEMENT:**

Certain statements made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations, estimates, and others may constitute forward-looking statements within the meaning of applicable laws and regulations. Actual results may differ from such expectations, whether expressed or implied. Several factors could make a significant difference to our operations. These include climatic and economic conditions affecting demand and supply, government regulations and taxation, any epidemic or pandemic, and natural calamities over which we do not have any direct/indirect control.

## Annexure - D to Board Report

Details pertaining to remuneration as required 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.

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23:

Sr. No.	Name of the Director / Key Managerial Person (KMP) and Designation	% increase/ (decrease) in remuneration in the financial year 2022-23	Ratio of remuneration of each Director to median remuneration of employees
1	Anil Suresh Kapasi	33%	25.02
2	Umesh Anand Pangam	58%	32.53
3	Deeksha Tiwari	NA	1.16
4	Shirish Pandurang Kumbhar	22%	9.03
5	Himanshu Rajanikant Mody	NA	NA
6	Chintan Sureshbhai Shah	NA	NA
7	Harsh Anil Kapasi	33%	12.51
8	Manish Khodidas Desai	NA	NA
9	Kirti Umesh Pangam	NA	NA

2. The percentage increase in the median remuneration of employees of the Company in the financial year:

During the financial year 2022-23, the median remuneration of employees of the Company was decreased by 12%

3. The number of permanent employees on the rolls of Company:

As on March 31, 2023, there were 172 permanent employees on the rolls of the Company.

4. Average percentile increase made in the salaries of employees other than managerial personnel in the last financial year i.e. 2022-23 was -7%

5. It is affirmed that the remuneration paid is as per the remuneration policy of the Company.

## **INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF ARIHANT ACADEMY LIMITED  
(formerly known as Arihant Academy Private Limited)**

### **Report on the Audit of Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of **Arihant Academy Limited (the "Company")**, which comprises the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") 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, the profit, and its cash flows for the year ended on that date.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### **Other Matter**

The financial statement for the year ended 31st March, 2022, included in the statement were audited by Bhikhubhai H. Shah & Co., Chartered Accountants, who expressed an unmodified opinion on those statements for the above periods.

Our opinion is not modified in respect of the above matters.

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

The Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Director's Report including Annexures to Director's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditors' 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 during the course of our audit or otherwise appears to be materially misstated.

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

## **Management's and Board of Director's Responsibility for the Financial Statements**

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, profit/loss, change in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## **Auditor's Responsibilities for the Audit of the 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 judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

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

### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) As required by Section 143(3) of the Act, we report that:

- We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- 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.
- The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this report are in agreement with the books of account.
- In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2023 from being appointed as a director in terms of Section 164(2) of the Act;
- With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

- (i) The Company has a pending litigation as disclosed with impact as at 31<sup>st</sup> March 2023 on its financial position in its financial statements refer Note No.26 to the 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (iv) (a) On the basis of written representations received and taken on record from the management, no funds other than as disclosed in the notes to the accounts have been advanced or loaned or invested by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(b) further, management has represented that no funds other as disclosed in the notes to the accounts have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on our audit procedures nothing has come to our notice that can cause us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.
- (v) In our opinion, based on information and explanation provided to us dividend not declared or paid during the year by the company is in compliance with section 123 of the Companies Act 2013.

(C) With respect to the matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the act, as amended.

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

For **G.P. KAPADIA & CO.**

Chartered Accountants

(Firm Registration No. 104768W)

**Atul B. Desai**

**Partner**

Membership No.:030850

**Place: Mumbai**

**Date: 30/05/23**

**UDIN: 23030850BGRJYG5529**

## **ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT**

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Arihant Academy Ltd. on the financial statements for the year ended March 31, 2023]

- i. In respect of the Company's Property, Plant and Equipment and Intangible asset:
  - a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;  
(B)The Company is maintaining proper records showing full particulars of intangible assets;
  - b) The Company is in process to carry out physical verification of Property, Plant and Equipment for the year.
  - c) The Company do not hold any immovable properties in its name, so this paragraph 3(i)(c) is not applicable.
  - d) The Company has not revalued its Property, Plant and Equipment or intangible assets or both during year;
  - e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
  
- ii. (a) As per information provided and explained to us by company, the company does not have any inventories during the year and hence the paragraph 3(ii)(a) of the Order is not applicable to the company.  
  
(b) As per information provided and explained to us by company, the company does not have any working capital hence the paragraph 3(ii)(b) of the Order is not applicable to the Company.
  
- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.  
  
(a)Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity as below:

(A) The company has not provided any loans or advances and guarantees or security to subsidiaries, joint ventures and associates. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to parties other than subsidiaries, joint ventures and associates;

**(Rs. in Lakhs)**

Particulars	Aggregate Amount(Rs.) during the year	Amount(Rs.) outstanding as on 31st March, 2023
Related Parties	86.30	86.30
Others	285.05	285.05
<b>Total</b>	<b>371.35</b>	<b>371.35</b>

(b) As per information provided and explained to us by company, the terms and conditions of the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest;

(c) According to the information and explanation given to us, the repayment of principal and payment of interest has not been stipulated and the repayments or receipt have been regular.

(d) According to the information and explanation given to us, there is no overdue amount for more than ninety days in respect of loans given.

(e) According to the information and explanation given to us, there is no loan or advances in nature of loans granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to same parties.

(f) According to the information and explanation given to us, the company has granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment are detailed below:

**(Rs. in Lakhs)**

Particulars	Related Parties	Others
Repayable on demand (A)	86.30	285.05
Agreement does not specify any terms or period of Repayment (B)	-	-
<b>Total(A+B)</b>	<b>86.30</b>	<b>285.05</b>

- iv. In our opinion and according to the information and explanations given to us, the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security are not applicable. Accordingly, paragraph 3(iv) of the order is not applicable to the Company.
- v. The Company has not accepted any amounts which are deemed to be deposits. Accordingly, paragraph 3(v) of the order is not applicable to the Company.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act for services rendered by the Company; accordingly paragraph 3(vi) of the order is not applicable to the Company.
- vii. (a) According to information and explanation given to us, the company is generally regular in depositing undisputed statutory dues including Goods and Service tax, Provident fund, Employees' state Insurance, Income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities during the year and no such dues are outstanding for more than six months from the date they became payable.

(b) According to the information and explanation given to us, there are no dues of sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute. There is an Income tax due pending on account of dispute which has not been deposited with the appropriate authorities as follows :

**(Rs.in Lakhs)**

<b>Nature of Statute</b>	<b>Nature of Dues</b>	<b>Amount (Rs.)</b>	<b>Period for which the amount relates</b>	<b>Forum where the dispute is pending</b>	<b>Remarks, if any</b>
The Income Tax Act, 1961	Income Tax	4.41	FY 2012-13	C.I.T(A)	-

- viii. In our opinion and according to the information and explanations given to us, the company does not have any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax,1961 (43 of 1961).
- ix. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year. Accordingly, the provisions of paragraph 3(ix)(b) to (f) of the Order are not applicable to the Company and hence not commented upon.
- x. (a)In our opinion and according to the information and explanations given to us, the company has raised Rs.1471.68 Lakhs by way of initial public offer which came out on 16<sup>th</sup> December, 2022 and closed on 21<sup>st</sup> December, 2022 and applied for the purpose for which those are raised.

(b) In our opinion and according to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the paragraph 3(x)(b) of the Order is not applicable to the Company.

- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees or whistle-blower complaints nor have we been informed of such case by the management.
- xi. The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us and based on examination of records, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiii. In our opinion and based on our examination, the company is under process to carry out Internal Audit for the year ended.
- xiv. According to the information and explanations given to us and based on examination of records, the company has not entered into any non-cash transactions with directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xv. In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of paragraph 3(xvi) of the Order are not applicable to the Company and hence not commented upon.
- xvi. The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- xvii. There has been resignation of the statutory auditors during the year and there were no issues, objections or concerns raised by the outgoing auditors.
- xviii. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xix.

- xx. As per information and explanation provided to us, section 135 of Companies Act, 2013 is not applicable to the company. Accordingly, paragraph 3(xx) is not applicable.
- xxi. In our opinion, the financial statements are standalone; Hence, paragraph 3(xxi) is not applicable.

**For G. P. Kapadia & Co.**  
**Chartered Accountants**  
**ICAI Firm Registration No.104768W**

**Atul B. Desai**  
**Partner**  
**Membership No.30850**  
**Date: 30/05/2023**  
**Place: Mumbai**  
**UDIN: 23030850BGRJYG5529**

## **ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Arihant Academy Ltd. on the financial statements for the year ended March 31, 2023]

### **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 Academy Ltd. as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

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

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

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

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

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

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 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
- Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India (ICAI).

**For G.P. KAPADIA & CO.**

Chartered Accountants

(Firm Registration No. 104768W)

**Atul B. Desai**

**Partner**

Membership No.:30850

**Place: MUMBAI**

**Date: 30/05/2023**

**UDIN: 23030850BGRJYG5529**

# ARIHANT ACADEMY LIMITED

CIN - U80903MH2007PLC175500

Balance Sheet as at 31st March, 2023

(Rs. In Lakhs)

Particulars	Note No.	Year ended 31st March, 2023	Year ended 31st March, 2022
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	605.52	1.00
(b) Reserves and Surplus	3	1,359.88	491.90
(c) Money received against share warrants		-	-
<b>(2) Share application money pending allotment</b>			
		-	-
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (Net)		-	-
(c) Other Non-Current Liabilities	4	12.58	9.51
(d) Long term provisions		-	-
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings	5	-	127.60
(b) Trade payables	6	11.71	16.12
(c) Other current liabilities	7	679.84	453.33
(d) Short-term provisions	8	135.20	5.41
<b>Total</b>		<b>2,804.73</b>	<b>1,104.87</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment			
(i) Tangible assets	9	227.68	267.04
(ii) Intangible assets	9	0.23	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	10	-	0.70
(c) Deferred tax assets (net)		30.00	24.31
(d) Long term loans and advances	11	485.43	385.34
(e) Other non-current assets	12	1.93	1.46
<b>(2) Current assets</b>			
(a) Current investments		-	-
(b) Inventories		-	-
(c) Trade receivables	13	41.16	-
(d) Cash and cash equivalents	14	1,546.41	308.52
(e) Short-term loans and advances	15	275.28	30.07
(f) Other current assets	16	196.61	87.43
<b>Total</b>		<b>2,804.73</b>	<b>1,104.87</b>

Significant Accounting Policies

1

Notes on Financial Statements

2-40

As per our annexed report of even date

For and on behalf of Board of Directors

**FOR G. P. KAPADIA AND CO.**

**Chartered Accountants**

FRN : 104768W

**UMESH ANAND PANGAM**

Whole Time Director

DIN: 03524171

Dated : 30/05/2023

Place : Mumbai

**ANIL SURESH KAPASI**

Managing Director

DIN: 03524165

Dated : 30/05/2023

Place : Mumbai

**CA ATUL B DESAI**

Partner

MRN.: 030850

Dated : 30/05/2023

**SHIRISH KUMBHAR**

Chief Financial Officer

PAN: ANTPK6338H

**DEEKSHA TIWARI**

Company Secretary

ACS 53259

**ARIHANT ACADEMY LIMITED**

CIN - U80903MH2007PLC175500

Statement of Profit and Loss for the year ended 31st March, 2023

(Rs. In Lakhs)

Particulars	Note No.	Year Ended 31st March 2023	Year Ended 31st March 2022
<b>A) REVENUE</b>			
a) Revenue from operations	17	2,311.81	1,520.67
b) Other Income	18	117.18	11.30
<b>Total Income</b>		<b>2,428.99</b>	<b>1,531.97</b>
<b>B) EXPENSES</b>			
a) Cost of Material Consumed			-
b) Purchase of Stock-in-Trade			-
c) Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade			-
d) Employee Benefit Expenses	19	498.87	366.43
e) Financial costs	20	1.57	3.30
f) Depreciation and amortization expense	9	90.87	53.16
g) Other expense	21	1,526.87	839.34
<b>Total Expense</b>		<b>2,118.18</b>	<b>1,262.23</b>
<b>C) Profit before exceptional and extraordinary items and tax</b>		<b>310.81</b>	<b>269.75</b>
<b>D) Exceptional items</b>		<b>78.83</b>	<b>-</b>
<b>E) Profit before extraordinary items and tax</b>			<b>-</b>
<b>F) Extraordinary Items</b>			<b>-</b>
<b>G) Profit before tax</b>		<b>231.98</b>	<b>269.75</b>
<b>H) Tax Expense:</b>			
a) Current tax		88.84	69.00
b) Deferred tax		(5.70)	(0.03)
<b>I) PROFIT AFTER TAX</b>		<b>148.84</b>	<b>200.77</b>
<b>J) Earning per equity share:</b>			
a) Basic		4.82	2,007.89
a) Dilute		4.82	2,007.89

As per our report of even date  
For G P Kapadia & Co.  
Chartered Accountants  
FRN : 104768W

For and on behalf of Board of Directors

Atul B. Desai  
Partner  
Membership No.:030850

UMESH ANAND PANGAM  
Whole Time Director  
DIN: 03524171  
Dated : 30/05/2023  
Place : Mumbai

ANIL SURESH KAPASI  
Managing Director  
DIN: 03524165  
Dated : 30/05/2023  
Place : Mumbai

Place: Mumbai  
Date: 30/05/23  
UDIN: 23030850BGRJYG5529

SHIRISH KUMBHAR  
Chief Financial Officer  
PAN: ANTPK6338H

DEEKSHA TIWARI  
Company Secretary  
ACS 53259

## ARIHANT ACADEMY LIMITED

CIN - U80903MH2007PLC175500

( Rs. In Lakhs )

PARTICULARS	For the year ended 31st March, 2023		For the year ended 31st March, 2022	
<b>A Cash Flow from Operating Activities</b>				
Net Profit / (Loss) Before tax		231.98		269.76
Adjusted for :				
Depreciation and Amortisation	169.70		53.16	
Provision for Expenses	11.26		-	
Bank Charges	0.56		-	
Interest Income	(116.24)		-	
(Profit)/loss on sale of mutual fund	(0.02)		-	
Misc Income	(0.92)		-	
Interest Expenses	1.87			
<b>Sub-Total</b>		66.22		53.16
		298.20		322.92
(Increase) / Decrease in Trade receivables	(41.16)		-	
(Increase) / Decrease in Short-term loans and advances	(245.21)		(37.15)	
(Increase) / Decrease in Long-term loans and advances	(100.09)		22.11	
(Increase) / Decrease in Other current assets	(109.18)		(79.20)	
(Increase) / Decrease in Other non current assets	(0.47)		-	
Increase / (Decrease) in trade payables	(4.41)		3.76	
Increase / (Decrease) in other non current liabilities	3.07		-	
Increase / (Decrease) in other current liabilities	226.51		52.73	
Increase / (Decrease) in short-term provisions	75.99		(10.56)	
<b>Sub-Total</b>		(194.95)		(48.31)
Income Tax Paid		103.25		274.61
		(81.41)		(69.00)
<b>Net Cash Flow from/(used in) Operating activities</b>		<b>21.84</b>		<b>205.60</b>
<b>B Cash Flow from Investing Activities</b>				
Purchase of Mutual Fund				
Proceeds from sale of investment	0.70			
Purchase of asset	(130.57)		(29.54)	
Interest Income	116.24			
Miscellaneous Income	0.92			
Profit from sale of mutual fund	0.02			
<b>Net Cash Flow from/(used in) Investing activities</b>		<b>(12.69)</b>		<b>(29.54)</b>
<b>C Cash Flow from Financing Activities</b>				
Proceeds from Issue of Shares & Securities Premium	1471.68			
Interest expense	(1.87)			
Bank charges	(0.56)			
IPO Expense	(112.91)			
Increase/ (Reduction) in Borrowings	(127.60)		78.62	
<b>Net Cash Flow from/(used in) Financing activities</b>		<b>1228.74</b>		<b>78.62</b>
<b>Net increase/(decrease) in Cash or Cash Equivalents</b>		<b>1237.89</b>		<b>254.68</b>
Cash and Cash Equivalents at the beginning of the year		308.52		53.83
Cash and Cash Equivalents at the end of the year		1546.41		308.52

AS PER REPORT OF EVEN DATE

**FOR G. P. KAPADIA AND CO.**  
Chartered Accountants  
FRN : 104768W

For and on behalf of Board of Directors

UMESH ANAND PANGAM  
Whole Time Director  
DIN: 03524171  
Dated : 30/05/2023  
Place : Mumbai

ANIL SURESH KAPASI  
Managing Director  
DIN: 03524165  
Dated : 30/05/2023  
Place : Mumbai

CA ATUL B DESAI  
PARTNER  
MEMBERSHIP NO. 030850  
Place : Mumbai  
Date : 30/05/2023

SHIRISH KUMBHAR  
Chief Finance Officer  
PAN: ANTPK6338H

DEEKSHA TIWARI  
Company Secretary  
ACS 53259

# **ARIHANT ACADEMY LIMITED**

**(formerly known as Arihant Academy Private Limited)**

**(CIN U80903MH2007PLC175500)**

## **NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

### **General Information:**

Arihant Academy Limited (formerly known as Arihant Academy Private Limited) (**“the Company”**) is a Public Limited Company incorporated in India having its registered office at Mumbai, Maharashtra, India. The Company is an education support and coaching services provider for students in the secondary and higher secondary school and for students pursuing graduation degree in commerce, preparing for various competitive examinations and undertaking chartered accountancy examinations.

The Company is now Public Limited Company. The Company came out with its Initial Public Offer (IPO) on 16th December, 2022 and the IPO closed on 21st December, 2022 . The Company was listed on the Small and Medium Enterprise (**“SME”**) platform of National Stock Exchange (**NSE**).

### **1. Significant Accounting Policies:**

#### **a) Revenue Recognition:**

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

Revenue from the total fees received is recognized over the period of service provided.

#### **b) Other Income:**

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

#### **c) Basis of Accounting:**

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013. The Company follows Mercantile System of accounting and recognizes income and expenditure on accrual basis.

All assets and liabilities have been classified as current and non-current as per the Companies normal operating cycle and other criteria set out in the Schedule III to the Companies Act 2013. The Company has ascertained its operating cycle as 12 months for the purpose of classification of assets and liabilities into current and non current.

**d) Use of Estimates:**

The preparation of financial statement in conformity with the Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of the assets and liabilities and disclosure of contingent liabilities as at the date of financial statement and the result of operations during the reporting period. Although these estimates are made on reasonable and prudent basis based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**e) Property, Plant & Equipment (PPE):**

Property, plant and equipment are stated at acquisition or construction cost less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use, including relevant borrowing costs and any expected costs of decommissioning.

The cost of an item of PPE is recognized as an asset if, and only if, it is probable that economic benefits associated with the item will flow to the Company in future periods and the cost of the item can be measured reliably. Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses are charged to the Profit and Loss Statement during the period in which they are incurred.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Profit and Loss Statement.

**f) Leasehold Improvement:**

All cost, including pre-operative overheads till the branch opening date attributable to fixed assets and relevant branch are capitalized. The Company follows a consistent process of capitalizing all the fixed assets of particular branch till the opening date.

**g) Depreciation and Amortization:**

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation is provided on WDV basis over the useful life of the asset. Depreciable amount for assets is the cost of PPE less its estimated residual value.

The useful life of an asset is the period over which a PPE is expected to be available for

use by an entity, or the number of production or similar units expected to be obtained from the asset by the entity. Depreciation on additions is provided on a pro-rata basis from the date of installation or acquisition and in case of projects from the date of commencement of commercial production.

The Company has used following useful lives of the property, plant and equipment to provide depreciation.

Major assets class where useful life considered as provided in Schedule II:

No.	Nature of Asset	Estimated Useful life of the assets
1	Leasehold Improvement	Based on the Lease agreement
2	Computers and data processing units	3 years
3	Electrical Installation & Equipment	10 years
4	Furniture Fixtures	10 years
5	Office Equipments	5 years
6	Vehicles	10 years

Amortisation is recognised on a written down value over their estimate useful life.

Intangible Assets and their useful lives are as under:

No.	Nature of Asset	Estimated Useful life of the assets
1	Computer Software	6 years

The estimated useful lives, residual values and the depreciation and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

#### **h) Intangible Assets:**

An intangible asset is recognized, where it is probable that future economic benefits attributable to the asset will flow to the enterprise and where the cost can be reliably ascertained. Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

#### **i) Investments:**

Investments which are readily realisable and is intended to be held for not more than one year are classified as current investments. Current investment is valued at lower of cost or realizable value. All other investments are classified as long term investments / non-current investments.

Long term investments are carried at cost after deducting provisions made, if any, for diminution in value of investments other than temporary, determined separately for

each individual investment.

**j) Leases:**

**Operating Leases**

Leases where the Lessor effectively retains substantially all risks and benefits of ownership of the leased premises during the lease term are classified as operating leases. Operating lease payments are recognized as an expense in the Profit & Loss Account on a monthly accrual basis as per agreements.

**k) Employee Benefits:**

**Short term Employee Benefits**

Employee benefit payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries, wages and bonus. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

**Provident Fund**

As per the Employees Provident Funds and Miscellaneous Provision Act, 1952 employees of the Company are entitled to receive benefits under the provident fund & family pension fund which is a defined contribution plan. These contributions are made to the fund administered and managed by Government of India. The Company's contribution to the schemes is recognized as expense in the profit and loss account during the period in which the employee renders the related services. The Company has no other obligation to the plans beyond its monthly compensations.

**Defined benefits plan**

The company's gratuity benefit scheme is a unfunded defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value. The calculation of company's obligation is performed annually by qualified actuary using the projected unit credit method.

The company recognises all actuarial gains and losses in the Statement of Profit and Loss.

The company recognises all the actuarial gains and losses immediately in the Statement of Profit and Loss. All expenses related to defined benefit plans are recognized in employee benefits expense in the Statement of Profit and Loss.

**l) Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are recognised when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to fulfill the obligation and in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an

outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

**m) Taxation:**

Current tax is determined on the basis of the amount of tax payable on taxable income for the year.

Deferred tax is in accordance with the Accounting Standard 22 – “Accounting for Taxes on Income”, issued by the Institute of Chartered Accountants of India. Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognized unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**n) Cash And Cash Equivalents:**

Cash and cash equivalents comprises of Cash in hand, Balances with banks and fixed deposits less than twelve months with banks.

**o) Cash flow statement:**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**p) Borrowing Costs:**

General and specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred. Borrowing cost includes interest expense, amortization of discounts, hedge related cost incurred in connection with foreign currency borrowings, ancillary costs incurred in connection with borrowing of funds and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the Interest cost.

**q) Earnings per share:**

Basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for bonus shares. For the purpose of calculating diluted earnings per share, net profit / (loss) after tax for the year attributable to the equity shareholders is divided by the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares and is adjusted for the bonus shares held by the Company.

**r) Exceptional Items:**

Exceptional items are those items that in management's judgment are material items which derive from events or transactions that fall outside the ordinary activities of the company and which individually or, if of a similar type, in aggregate, need to be disclosed separately by virtue of their size or incidence.

## ARIHANT ACADEMY LIMITED

CIN - U80903MH2007PLC175500

Notes forming part of the financial statements for the year ended 31st March 2023

### Note 2: Share capital

Particulars	(Rs. In Lakhs)	
	As at 31 March, 2023	As at 31 March, 2022
	Amount (Rs.)	Amount (Rs.)
<b>(i) Authorised Share Capital</b> 1,00,00,000 Equity shares of Rs. 10/- each [Previous Year: 1,00,00,000 Equity shares of Rs.10/- each]	1,000.00	1,000.00
<b>TOTAL</b>	<b>1,000</b>	<b>1,000.00</b>
<b>(ii) Issued, subscribed and paid up</b> *60,55,200 Equity shares of Rs.10/- each fully paid up [Previous Year: 10,000 Equity shares of Rs.10/- each fully paid up]	605.52	1.00
<b>TOTAL</b>	<b>605.52</b>	<b>1.00</b>

\* Note 1: 44,10,000 shares were issued during the year as Bonus shares on 23rd August, 2022.

\* Note 2: 16,35,200 shares of face value Rs. 10 per share were allotted under Initial Public Offer at Premium of Rs. 80 per share

#### Rights, preferences and restrictions attached to Equity Shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. Each holder of equity shares is entitled to one vote per share. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

#### Reconciliation of number of Equity shares outstanding at the beginning and at the end of the year:

Particulars	(Rs. In Lakhs)			
	As at 31 March, 2023		As at 31 March, 2022	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Shares outstanding at the beginning of the year	10,000	1.00	10,000	1.00
Add: Shares issued during the year	6,045,200	604.52	-	-
Less: Shares bought back and extinguished during the year	-	-	-	-
Shares outstanding at the end of the year	<b>6,055,200</b>	<b>605.52</b>	<b>10,000</b>	<b>1.00</b>

#### Details of equity shares held by each shareholder holding more than 5% shares

Shareholder holding equity shares with voting rights	As at 31 March, 2023		As at 31 March, 2022	
	No. of Shares	% Holding	No. of Shares	% Holding
	(i) Mr. Anil Kapasi	1,582,801	26.14%	3,581
(ii) Mr. Umesh Pangam	1,527,994	25.23%	3,457	34.57%
(iii) Mrs. Hiral Kapasi	588,302	9.72%	1,204	12.04%
(iv) Mrs. Kirti Pangam	588,302	9.72%	1,204	12.04%
(v) Mr. Bhavesh Parmar	0	0.00%	554	5.54%
<b>TOTAL</b>	<b>4,287,399</b>	<b>70.81%</b>	<b>10,000</b>	<b>100.00%</b>

#### Shareholding of Promoters and Promoter Group

Name of Equity Shareholders	(Rs. In Lakhs)			
	As at 31 March, 2023		As at 31 March, 2022	
	No. of Shares	Percentage	No. of Shares	Percentage
(i) Mr. Anil Kapasi	1,582,801	26.14%	3,581	35.81%
(ii) Mr. Umesh Pangam	1,527,994	25.23%	3,457	34.57%
(iii) Mrs. Hiral Kapasi	588,302	9.72%	1,204	12.04%
(iv) Mrs. Kirti Pangam	588,302	9.72%	1,204	12.04%
(v) Mr. Harsh Kapasi	66,300	1.09%	0	0.00%
(vi) Mrs. Rishika Pangam	66,300	1.09%	0	0.00%
(vii) Mrs. Sharda Shah	1	0.00%	0	0.00%
<b>TOTAL</b>	<b>4,420,000</b>	<b>73.00%</b>	<b>9,446</b>	<b>94.46%</b>

	( Rs. In Lakhs )	
Note 3: Reserves & Surplus	Year Ended	Year Ended
	31st March, 2023	31st March, 2022
(i) <u>Surplus/ (Deficit) in Statement of Profit &amp; Loss Account</u>		
Opening Balance	491.90	291.11
Add: Profit/ (Loss) during the year	148.83	200.79
Bonus Issue*	(441.00)	-
Less: Gratuity for Transition period**	(35.10)	-
	-	-
<b>Closing Balance</b>	<b>164.63</b>	<b>491.90</b>
(ii) <u>Securities Premium Account</u>	1,308.16	-
Less: IPO Expense***	(112.91)	-
<b>Closing Balance</b>	<b>1,195.25</b>	<b>-</b>
<b>Closing Balance ( i + ii )</b>	<b>1,359.88</b>	<b>491.90</b>

\* 44,10,000 shares of face value Rs.10 were issued during the year as Bonus shares on 23rd August, 2022.

\*\* As per transition provision of AS-15 "Employee Benefits", the difference between transition liability and liability i.e. Rs.35,10,485 is adjusted against reserves and surplus.

\*\*\* The company has issued and allotted 16,35,200 equity shares of Rs.10 each at premium of Rs.80 per share through Initial Public Offer as per section 52 of Companies Act, 2013 , aggregating to Rs.605.52 Lakhs. The Net issue expenses are Rs.112.91 Lakhs.

Note 4: Other Non-Current Liabilities	Year Ended	Year Ended
	31st March, 2023	31st March, 2022
(i) Other Long term liabilities		
(a) Advance Coaching Fees for Year 24-25	12.59	9.51
<b>Closing Balance</b>	<b>12.59</b>	<b>9.51</b>
Note 5: Short Term Borrowings	Year Ended	Year Ended
	31st March, 2023	31st March, 2022
(i) Secured		
(a) Loans repayable on demand		
(b) From Bank*	-	127.60
(c) From other parties		
(ii) Unsecured		
(a) Loans repayable on demand		
(b) From Bank		
(c) From other parties		
<b>Closing Balance</b>	<b>-</b>	<b>127.60</b>

\* Working capital facility and term loan has been sanctioned through Kotak Mahindra Bank and is towards working capital financing of the company. It is secured facility against Flat no. 604, 605, 6th floor, Wing K, Ekta Bhoomi Garden 2, Rajendra Nagar, Off. Dattapada Road, Borivali east, Magathane, Mumbai 400066 owned By Mr. Anil Suresh Kapasi, Mrs. Hiral Anil Kapasi and Mrs. Sharada Suresh Shah.

Note 6: Trade Payables*	Year Ended	Year Ended
	31st March, 2023	31st March, 2022
(i) Trade Payables		
(a) Micro, Small and Medium Enterprises		
(b) Others	11.71	16.12
<b>Closing Balance</b>	<b>11.71</b>	<b>16.12</b>
* For Ageing refer note no.23		
Note 7: Other Current Liabilities	Year Ended	Year Ended
	31st March, 2023	31st March, 2022
(i) Outstanding Expenses		
(a) Salary and Reimbursement	50.89	35.99
(b) Contributin to PF	2.16	0.70
(c) Rent Payable	15.57	1.37
(d) Statutory Dues Payable	48.19	32.60
(g) Others Payable	42.37	31.33
(ii) Advance Coaching Fees Received	520.66	351.34
<b>Closing Balance</b>	<b>679.84</b>	<b>453.33</b>
Note 8: Short Term Provision	Year Ended	Year Ended
	31st March, 2023	31st March, 2022
(i) Provision For Employee Benefit		
(a) Gratuity	46.36	-
(ii) Provision For Taxation	88.84	5.41
<b>Closing Balance</b>	<b>135.20</b>	<b>5.41</b>

( Rs. In Lakhs )

Particulars	Year Ended	Year Ended
	31st March, 2023	31st March, 2022
Note 10: Non - Current Investments	Year Ended	Year Ended
	31st March, 2023	31st March, 2022
(i) Trade Investment		
(ii) Other Investment		
(a) Investments in Equity Instruments ( Arihant Academy Ventures Pvt Ltd )	-	0.60
(b) Investments in Mutual Funds-HDFC Liquid Fund Growth*	-	0.10
<b>Closing Balance</b>	<b>-</b>	<b>0.70</b>
* 2.765 units @ NAV of Rs.4151.80 per unit as at 31st March, 2022		

# ARIHANT ACADEMY LIMITED

CIN - U80903MH2007PLC175500

Notes forming part of the financial statements for the year ended 31st March 2023

(Rs. In Lakhs )

## Note 9 Property, Plant and Equipment and Intangible Asset(As per Companies Act)

Tangible Asset		(Rs. In Lakhs )									
Sr.	Description	Rate	Gross Block		Balance as at 31st March, 2023	Accumulated depreciation	Balance as at 31st March, 2023	Balance as at 31st March, 2022	Net Block		
			Balance as at 1st April, 2022	Additions					Depreciation for the year	Balance as at 31st March, 2023	Balance as at 31st March, 2022
1	ELECTRICAL EQUIPMENT	25.89	150.12	17.93	168.05	95.51	131.91	36.14	54.61		
2	FURNITURE & FIXTURES	25.89	541.45	73.21	614.66	378.92	464.59	150.06	162.53		
3	COMPUTERS	63.16	76.75	17.04	93.79	53.90	76.86	16.92	22.85		
4	SCOOTER	25.89	1.70	-	1.70	1.26	1.37	0.33	0.44		
5	PROJECTORS	25.89	9.83	6.49	16.32	5.97	9.99	6.32	3.86		
6	OFFICE EQUIPMENTS	45.07	38.18	2.82	41.01	25.69	35.65	5.36	12.50		
7	MOBILE	25.89	16.81	8.45	25.27	6.57	15.90	9.37	10.25		
8	LEASEHOLD IMPROVEMENTS		-	4.28	4.28	-	1.11	3.17	-		
	<b>Total</b>		<b>834.85</b>	<b>130.22</b>	<b>965.06</b>	<b>567.80</b>	<b>737.39</b>	<b>169.59</b>	<b>227.68</b>	<b>267.04</b>	

### Intangible Asset

Sr.	Description	Rate	Gross Block		Balance as at 31st March, 2023	Accumulated depreciation	Balance as at 31st March, 2023	Net Block	
			Balance as at 1st April, 2022	Additions				Balance as at 31st March, 2023	Balance as at 31st March, 2022
1	COMPUTER SOFTWARE	39.30	-	0.35	0.35	-	0.12	0.23	-
	<b>Total</b>		<b>-</b>	<b>0.35</b>	<b>0.35</b>	<b>-</b>	<b>0.12</b>	<b>0.23</b>	<b>-</b>

### Tangible Asset

Sr.	Description	Gross Block		Balance as at 31st March, 2022	Accumulated depreciation	Balance as at 31st March, 2022	Net Block		
		Balance as at 1st April, 2021	Additions				Balance as at 31st March, 2022	Balance as at 31st March, 2021	
1	ELECTRICAL EQUIPMENT	147.25	2.87	150.12	87.03	8.47	95.51	54.61	60.22
2	FURNITURE & FIXTURES	536.00	5.45	541.45	344.12	34.79	378.92	162.53	191.87
3	COMPUTERS	58.48	18.28	76.75	48.22	5.68	53.90	22.85	10.25
4	SCOOTER	1.70	-	1.70	1.11	0.15	1.26	0.44	0.59
5	PROJECTORS	6.97	0.76	7.72	4.45	0.40	4.86	2.87	2.52
6	OFFICE EQUIPMENTS	39.67	0.62	40.29	24.67	2.12	26.80	13.49	15.00
7	MOBILE	15.24	1.57	16.81	5.03	1.53	6.57	10.25	10.21
	<b>Total</b>	<b>805.31</b>	<b>29.54</b>	<b>834.85</b>	<b>514.65</b>	<b>53.16</b>	<b>567.80</b>	<b>267.04</b>	<b>290.66</b>

Note 11: Long Term Advances	Year Ended	Year Ended
	31st March, 2023	31st March, 2022
(i) Security Deposits	222.13	207.34
(ii) Loans and Advances to Related Parties		
(a) Secured, Considered good		
(b) Unsecured, Considered good	86.30	83.00
(c) Considered Doubtful		
Less : Provision for doubtful related parties		
(ii) Others Loans and Advances		
(a) Secured, Considered good		
(b) Unsecured, Considered good	177.00	95.00
(c) Considered Doubtful		
Less : Provision for doubtful security deposits		
<b>Closing Balance</b>	<b>485.43</b>	<b>385.34</b>
Note 12: Other Non Current Assets	Year Ended	Year Ended
	31st March, 2023	31st March, 2022
(i) Balance with Government Authorities	1.93	1.45
<b>Closing Balance</b>	<b>1.93</b>	<b>1.45</b>
Note 13: Trade Receivable*	Year Ended	Year Ended
	31st March, 2023	31st March, 2022
(i) Outstanding for less than 6 months		
(a) Secured, considered good		
(b) Unsecured, considered good	41.16	-
(c) Unsecured, considered doubtful		
(ii) Outstanding for more than 6 months		
(a) Secured, considered good		
(b) Unsecured, considered good		
(c) Unsecured, considered doubtful		
<b>Closing Balance</b>	<b>41.16</b>	<b>-</b>
* For Ageing refer note no.24		
Note 14: Cash & Cash Equivalent	Year Ended	Year Ended
	31st March, 2023	31st March, 2022
(i) Balance with banks	35.92	9.44
(ii) Deposits with banks (Sweep FDs with accrued interest)	1,504.47	294.14
(iii) Cash on Hand	6.03	4.93
(iv) Others	-	-
<b>Closing Balance</b>	<b>1,546.42</b>	<b>308.52</b>

<b>Note 15: Short Term Loans and Advances</b>	<b>Year Ended</b>	<b>Year Ended</b>
	<b>31st March, 2023</b>	<b>31st March, 2022</b>
(ii) Others Loans and Advances		
(a) Secured, Considered good		
(b) Unsecured, Considered good	123.17	-
(c) Considered Doubtful		
Less : Provision for doubtful security deposits		
(iii) Loans and Advances to Employees		
(a) Secured, Considered good		
(b) Unsecured, Considered good	6.52	3.94
(c) Considered Doubtful		
Less : Provision for doubtful related employees		
(iv) Security Deposit		
(a) Secured, Considered good		
(b) Unsecured, Considered good		
Rent Deposit	24.50	-
(v) Advances to Creditors		
(a) Secured, Considered good		
(b) Unsecured, Considered good	121.09	26.14
(c) Considered Doubtful		
Less : Provision for doubtful security deposits		
<b>Closing Balance</b>	<b>275.28</b>	<b>30.07</b>
<b>Note 16: Other Current Assets</b>	<b>Year Ended</b>	<b>Year Ended</b>
	<b>31st March, 2023</b>	<b>31st March, 2022</b>
(i) Prepaid Expenses	94.58	77.56
(ii) Balance with Government Authorities	17.18	3.62
(iii) Advance income tax for AY 23-24	78.60	-
(iv) Advance income tax	6.25	6.25
<b>Closing Balance</b>	<b>196.61</b>	<b>87.43</b>

# ARIHANT ACADEMY LIMITED

CIN - U80903MH2007PLC175500

Notes forming part of the financial statements for the year ended 31st March 2023

( Rs. In Lakhs )

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
<b>Note 17: Revenue from Operation</b>		
Sale of Services	2,727.95	1,794.39
Less : GST	(416.15)	(273.72)
	<b>2,311.81</b>	<b>1,520.67</b>
<b>Note 18: Other Income</b>		
Interest Income	116.24	7.84
Other Income	0.92	3.46
Profit On Sale Of Mutual Fund	0.02	-
	<b>117.18</b>	<b>11.30</b>

# ARIHANT ACADEMY LIMITED

CIN - U80903MH2007PLC175500

Notes forming part of the financial statements for the year ended 31st March 2023

( Rs. In Lakhs )

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022.
<b>Note 19: Employee Benefit Expenses</b>		
Salaries to Staff	429.08	323.13
Gratuity	11.26	-
Staff Welfare	3.33	5.49
Directors' Remuneration	55.20	37.80
	<b>498.87</b>	<b>366.42</b>
<b>Note 20: Financial Costs</b>		
Interest Expense	1.57	3.30
	<b>1.57</b>	<b>3.30</b>
<b>Note 21: Other Expense</b>		
Advertisement Expenses	85.04	30.83
Auditor's Remuneration	5.45	3.00
Brokerage & Commission	8.59	-
Computer Expenses	27.85	20.85
Conveyance & Transport	8.61	3.94
Donation	1.00	-
Electricity Expenses	63.31	24.50
Entertainment Expenses	35.16	0.71
House Keeping Expenses	4.22	2.29
Insurance Charges	0.02	2.14
Internet Expenses	1.61	1.59
Legal Expenses	3.82	7.81
Membership & Subscription	0.22	-
Office Expenses	1.43	0.16

<i>(Other Expenses..contd..)</i>		
Paper Checking Charges	20.63	11.85
Postage & Courier Expenses	0.00	-
Printing & Stationary Expenses	30.06	11.08
GST On Previous year	0.53	1.93
Int On Statutory Liability	0.30	0.30
Profession Tax - Company	0.03	0.03
Professional Charges	626.17	371.27
Rent	370.24	206.35
Repairs & Maintenance	36.40	19.69
Seminars & Functions	31.45	3.17
Students Bags	13.41	-
Students Books & Notes	111.91	87.55
Subject Co-ordination	0.85	2.10
Sundry Expenses	6.93	4.21
Supervisors Charges	15.70	6.67
Telephone Expenses	4.56	3.96
Water Charges	2.77	1.45
Zoom App Exp	8.63	9.93
	<b>1,526.87</b>	<b>839.34</b>

**22)Analytical Ratios:**

Description	As at 31st March, 2023	As at 31st March, 2022	Variance	Remark
a) Current Ratio	2.49	0.99	151.62%	There is variance due to money raised by IPO during the year which has increased the balance of cash and Cash Equivalent.
b) Debt-Equity Ratio	-	0.26	-100.00%	There is variance as the whole debt is repaid during the year.
c) Debt Service Coverage Ratio	10.98	6.62	65.84%	There is variance as the whole debt is repaid during the year.
d) Return on Equity	7.57%	41%	-81.53%	
e) Inventory turnover ratio	NA	NA	NA	NA
f) Trade Receivables turnover ratio	66.28	-	-	There is variance because earlier there were no debtors and this year debtors is created.
g) Trade payables turnover ratio	0.00%	52.06%	-100.00%	There is variance due to regrouping of creditors.
h) Net capital turnover ratio	1.39	(234.04)	-100.59%	
i) Net profit ratio	5.46%	13%	-58.03%	
j) Return on Capital employed	11.88%	55%	-78.39%	
k) Return on investment	NA	NA	NA	NA

**23)Trade Payable Ageing:**

(Rs.in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	0.28				0.28
(ii) Others	10.02	0.62		0.78	11.42
(iii) Disputed Dues - MSME					-
(iv) Disputed Dues - Others					-
<b>Total</b>	<b>10.31</b>	<b>0.62</b>	<b>-</b>	<b>0.78</b>	<b>11.71</b>

**24)Trade Receivable Ageing:****(Rs. in Lakhs)**

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables – considered good	41					41
(ii) Undisputed Trade Receivables – considered doubtful						-
(iii) Disputed Trade Receivables – considered good						-
(iv) Disputed Trade Receivables – considered doubtful						-
<b>Total</b>	<b>41</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41</b>

**25)Shareholding of Promoters as below:**

Shares held by promoters at the end of the year			
Sr No.	Promoter's name	No. of Shares	% of Total Shares
1.	Anil Kapasi	15,82,801	26.14%
2.	Umesh Pangam	15,27,994	25.23%

**26)Claim not acknowledge as debt:****(Rs. In Lakhs)**

Sr. No.	Particulars	FY 2022-23 (Rs.)	FY 2021-22 (Rs.)
1	Income Tax AY 2012-13	4.41	4.41

**27)** In the opinion of the Board of Directors the current assets, loan and advances are approximately of the value stated, if realised in the ordinary course of business. The provisions for all known liabilities is adequate and not in excess of the amount reasonably necessary.

**28) Related party disclosure as required by Accounting Standard-18 is given below:****1. Relationships:**

- a. Entities where control exist: Team Arihant Carmel Academy LLP  
Arihant Academy Ventures Private Limited
- b. Directors: Mr. Anil Suresh Kapasi  
Mr. Umesh Anand Pangam

Ms. Kirti Pangam  
Mr. Harsh Kapasi

c. Key Managerial Personnel:

Mr. Shirish Pandurang Kumbhar  
Ms. Deeksha Tiwari

d. Relatives of Director:

Ms. Hiral Kapasi  
Mr. Anand Pangam  
Ms. Rishika Pangam  
Ms. Sejal Shah

**2. Transactions carry out with Related Parties in ordinary course of business:**

(Rs. in Lakhs)

Sr. No.	Particulars	Relationship	Remuneration	Professional Fees	Loan and Advances	Outstanding Loan and Advances
1	Mr. Anil Suresh Kapasi	Managing Director	<b>24.00</b> (18.00)	- -	- -	- -
2	Mr. Umesh Anand Pangam	Chairperson & Whole Time Director	<b>31.20</b> (19.80)	- -	0.61 (10)	- -
3	Mr. Harsh Anil Kapasi	Non-Executive Director	<b>12.00</b> (9.00)	- -	- -	- -
4	Ms. Kirti Umesh Pangam	Non-Executive Director	- -	<b>9.00</b> (7.20)	- (3.78)	- -
5	Mr. Shirish Pandurang Kumbhar	Chief Financial Officer	<b>8.66</b> (7.11)	- -	- -	- -
6	Ms. Deeksha Tiwari	Company Secretary and Compliance Officer	<b>1.12</b> -	- -	- -	- -
7	Ms. Hiral Kapasi	Employee	<b>15.00</b> (12.00)	- -	- -	- -
8	Mr. Anand Pangam	Employee	<b>3.85</b> (4.20)	- -	- -	- -
9	Ms. Rishika Pangam	Employee	<b>3.60</b> (3.00)	- -	- -	- -
10	Ms. Sejal Shah	Employee	<b>6.00</b> (6.00)	- -	- -	- -
11	Arihant Academy Ventures Private Limited	Related Party	- -	- -	<b>86.30</b> (79.81)	<b>86.30</b> (79.81)

12	Team Arihant Carmel Academy LLP	Related Party	-	-	<b>2.56</b> (3.20)	- (3.20)
----	---------------------------------------	---------------	---	---	-----------------------	-------------

(Current year figures are shown in bold & comparative figures for previous year are shown in bracket below the current year)

### 29) Auditor's Remuneration:

Particulars	(Rs. in Lakhs)	
	FY 2022-23	FY 2021-22
For Statutory Audit Fees	4.85	3.00
For Tax Representation Fees	0.60	-
<b>Total</b>	<b>5.45</b>	<b>3.00</b>

### 30) Earnings per share:

Earnings per Share are calculated by dividing the profit attributable to the equity shareholders by the average number of equity shares outstanding during the year. Numbers used for calculating basic and diluted earnings per share are as stated below:

Particulars	(Rs. in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Profit after tax	148.84	200.77
Weighted number of Shares	30,84,722	10,000
Basic & Diluted EPS	4.82	2007.70

### 31) Deferred Tax Asset (Net):

Particulars	(Rs. in Lakhs)			
	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
<b>Deferred Tax Asset</b>				
Provision for Gratuity	2.83		-	
Difference of depreciation as per books and as per Income Tax Law	27.17	30.00	24.31	24.31
<b>Deferred Tax Liabilities</b>			-	-
<b>Total</b>		30.00		24.31

**32)Employee Benefit:**

Details of Gratuity Plan is as follows:

<b>Assumptions (Closing Period)</b>		
<b>Particulars</b>	<b>As at 31/03/23</b>	<b>As at 31/03/22</b>
Expected Return on Plan Assets	N.A.	N.A.
Rate of Discounting	7.50%	7.23%
Rate of Salary Increase	5.00%	5.00%
Rate of Employee Turnover	5.00%	5.00%
Mortality Rate During Employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)

**(Rs. in Lakhs)**

<b>Table Showing Change in the Present Value of Defined Benefit Obligation</b>		
<b>Particulars</b>	<b>As at 31/03/23</b>	<b>As at 31/03/22</b>
Present Value of Benefit Obligation at the Beginning of the Period	35.10	-
Interest Cost	2.54	-
Current Service Cost	5.55	35.10
Past Service Cost - Non-Vested Benefit Incurred During the Period		
Past Service Cost - Vested Benefit Incurred During the Period		
Liability Transferred In/ Acquisitions		
(Liability Transferred Out/ Divestments)		
(Gains)/ Losses on Curtailment		
(Liabilities Extinguished on Settlement)		
(Benefit Paid Directly by the Employer)		
(Benefit Paid From the Fund)		
The Effect Of Changes in Foreign Exchange Rates		
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions		
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(0.86)	-
Actuarial (Gains)/Losses on Obligations - Due to Experience	4.03	-
Present Value of Benefit Obligation at the End of the Period	46.36	35.10

<b>Table Showing Change in the Fair Value of Plan Assets</b>		
<b>Particulars</b>	<b>As at 31/03/23</b>	<b>As at 31/03/22</b>
Fair Value of Plan Assets at the Beginning of the Period	-	-
Expected Return on Plan Assets	-	-
Contributions by the Employer	-	-
Expected Contributions by the Employees	-	-
Assets Transferred In/Acquisitions	-	-
(Assets Transferred Out/ Divestments)	-	-
(Benefit Paid from the Fund)	-	-
(Assets Distributed on Settlements)	-	-
Effects of Asset Ceiling	-	-
The Effect Of Changes In Foreign Exchange Rates	-	-
Actuarial Gains/(Losses) on Plan Assets - Due to Experience	-	-
Fair Value of Plan Assets at the End of the Period	-	-

**(Rs. in Lakhs)**

<b>Actuarial (Gains)/ losses recognized in the Statement of Profit or Loss for Current Period</b>		
<b>Particulars</b>	<b>As at 31/03/23</b>	<b>As at 31/03/22</b>
Actuarial (Gains)/Losses on Obligation For the Period	3.18	-
Actuarial (Gains)/Losses on Plan Asset For the Period	-	-
Subtotal	3.18	-
Actuarial (Gains)/Losses Recognized in the Statement of Profit or loss	3.18	-

**(Rs. in Lakhs)**

<b>Amount Recognized in the Balance Sheet</b>		
<b>Particulars</b>	<b>As at 31/03/23</b>	<b>As at 31/03/22</b>
(Present Value of Benefit Obligation at the end of the Period)	(46.36)	(35.10)
Fair Value of Plan Assets at the end of the Period	-	-
Funded Status (Surplus/ (Deficit))	(46.36)	(35.10)
Unrecognized Past Service Cost at the end of the Period	-	-
<b>Net (Liability)/Asset Recognized in the Balance Sheet</b>	<b>(46.36)</b>	<b>(35.10)*</b>

**\*As per transition provision of AS-15, the transition liability i.e.Rs.35.10 Lakhs till 31<sup>st</sup> March, 2022 is adjusted against reserves and surplus and subsequent liability is expensed to Profit and Loss Statement.**

(Rs. in Lakhs)

<b>Expense Recognized in the Statement of Profit or Loss</b>		
<b>Particulars</b>	<b>As at 31/03/23</b>	<b>As at 31/03/22</b>
Current Service Cost	5.54	35.10
Net Interest Cost	2.54	-
Actuarial (Gains)/Losses	3.18	-
Past Service Cost - Non-Vested Benefit Recognized During the Period	-	-
Past Service Cost - Vested Benefit Recognized During the Period	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Change in Asset Ceiling	-	-
<b>Expenses Recognized in the Statement of Profit or Loss</b>	<b>11.26</b>	<b>35.10</b>

**33)Initial Public Offer:**

The company has issued and allotted 16,35,200 equity shares of Rs.10 each at premium of Rs.80 per Share through Initial Public Offer, aggregating to Rs.605.52 Lakhs. The Net issue expenses are Rs.112.91 Lakhs. The details of utilization of the net IPO proceeds is mentioned below:

(Rs. in Lakhs)

<b>Particulars</b>	<b>Amount(Rs.)</b>	<b>Amount(Rs.)</b>
Amount received from IPO		1471.68
<b>Less:Deployment of funds Received from IPO:</b>		
For Working Capital	56.01	
Issue Expenses	112.91	
General Corporate Purposes	115.53	
Total Deployment of funds till March 31, 2023		(284.46)
<b>Balance Amount to be Unutilized</b>		<b>1187.22</b>

**34)**The Company does not have any earnings in foreign currency.

**35)** The company operates only in one business segment which is coaching services. Further, the company operates and controls its business activities within India. Hence disclosure of segment wise information is not applicable under Accounting Standard-17 "Segment Reporting" (AS-17).

**36)** Exceptional item comprises of depreciation which has arisen due change in useful life and depreciation and amortization rate of the Property, Plant and Equipment and Intangible asset. The company does not consider these to be in its ordinary course of business of retail and therefore has considered it to be exceptional in nature.

**37)** During the year ended 31<sup>st</sup> March, 2023, the company has reassessed the useful lives of the property plant and equipment and intangible asset in line with useful lives mentioned in Schedule II to the Companies Act, 2013. The company has also changed the depreciation and amortization rate as per Schedule II of all the asset due to which profit of the current year has reduced by Rs.78.83 Lakhs.

**38)** During the year, the company has not executed any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

**39)** There are no transactions which were not recorded in books of accounts and have been surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

**40)** Previous year's figures have been regrouped, rearranged or recast to make them comparable wherever necessary.

As per our report of even date

For and on Behalf of Board of directors

**For G.P. KAPADIA & CO.**  
*Chartered Accountants*  
(Registration No. 104768W)

**Umesh Anand Pangam**  
*Whole Time Director*  
(DIN: 03524171)

**Anil Suresh Kapasi**  
*Managing Director*  
(DIN: 03524165)