

*Eighteenth Annual Report*

*2011-2012*



**Arihant's Securities Limited**

## Arihant's Securities Limited

---



- Board of Directors** : 1. Ravikant Choudhry, Chairman  
2. Nishikanth Mohanlal Choudhary, Managing Director  
3. Ajitkumar Chordia, Director  
4. Subhash Chand Nahar, Director
- Audit Committee** : 1. Ajitkumar Chordia, Member - Chairman  
2. Subhash Chand Nahar, Member  
3. Ravikant Choudhry, Member
- Statutory Auditors** : N.R. Krishnamoorthy & Co.,  
Chartered Accountants  
BGF2, Siva Vishnu Apartments,  
No. 25, Pinjala Subramania Street,  
T. Nagar, Chennai 600 017.  
Tamil Nadu. India
- Bankers** : Oriental Bank of Commerce Limited  
HDFC Bank Limited  
Axis Bank Limited
- Registered Office** : 138, Dr. Radhakrishnan Salai,  
Mylapore, Chennai - 600 004.  
Ph. : (044) 28444555, 43434000  
Fax : (044) 43434030
- Share Transfer Agents** : Cameo Corporate Services limited,  
#1, Subramaniam Building,  
Club House Road,  
Mount Road, Chennai - 600 002  
Ph.: (044) 28460390 (5 lines)  
Fax: (044) 28640129

# Arihant's Securities Limited



## NOTICE

### To The Shareholders

NOTICE is hereby given that the Eighteenth Annual General Meeting of the members of the Company will be held at the Registered Office of the Company at 138, Dr. Radhakrishnan Salai, Mylapore, Chennai - 600 004 on Friday, 30<sup>th</sup> November, 2012 at 9.30 A.M. to transact the following business:

### ORDINARY BUSINESS:

1. To receive consider and adopt the Audited Balance Sheet as at 31.03.2012, the Profit & Loss account for the period from 01.04.2011 to 31.03.2012 and to consider the reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mr. Ravikant Choudhry, Director who retires by rotation and being eligible offers himself for reappointment.
3. To appoint M/s. N.R. Krishnamoorthy & Co., Chartered Accountants, the retiring auditors, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the company at a remuneration to be fixed by the Board of Directors of the Company in consultation with them.

### SPECIAL BUSINESS:

#### RE-APPOINTMENT OF MR. NISHIKANTH MOHANLAL CHOUDHARY AS MANAGING DIRECTOR OF THE COMPANY:

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

“**RESOLVED THAT** pursuant to the provisions of Sections 269, 317 and other applicable provisions, if any, of the Companies Act, 1956 (“Act”) read with Schedule XIII as amended or reenacted from time to time and the Articles of Association of the company, the Company hereby accords its approval to the reappointment of **MR. NISHIKANTH MOHANLAL CHOUDHARY** as **MANAGING DIRECTOR** of the Company for a further period of five years with effect from 26<sup>th</sup> April, 2012 upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting and that Mr. Nishikanth Mohanlal Choudhary shall not while holding office be liable to retirement by rotation.”

“**RESOLVED FURTHER** that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things, as in its absolute discretion, it may consider necessary, expedient or desirable, in order to give effect to the foregoing resolution or otherwise considered by it to be in the best interests of the Company.”

### Registered Office

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

Date : 05.11.2012

BY ORDER OF THE BOARD  
For **ARIHANT'S SECURITIES LIMITED**

Sd/-  
**Ravikant Choudhry**  
(Chairman & Director)

### NOTES:

1. THE COMPANY HAS OBTAINED EXTENSION UNDER SECTION 166(1) OF THE COMPANIES ACT, 1956 FOR HOLDING THE ANNUAL GENERAL MEETING UPTO 30<sup>TH</sup> NOVEMBER, 2012 FROM THE REGISTRAR OF COMPANIES, TAMIL NADU, CHENNAI VIDE LETTER DATED 28<sup>TH</sup> SEPTEMBER, 2012.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
3. A PROXY FORM IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED ATLEAST 48 HOURS BEFORE THE GENERAL MEETING AT THE REGISTERED OFFICE OF THE COMPANY.
4. THE REGISTER OF MEMBERS AND THE SHARE TRANSFER BOOKS OF THE COMPANY WILL REMAIN CLOSED FROM FRIDAY, 30<sup>TH</sup> NOVEMBER, 2012 TO FRIDAY, 30<sup>TH</sup> NOVEMBER, 2012 IN CONNECTION WITH THE ANNUAL GENERAL MEETING.
5. MEMBERS ARE REQUESTED TO:
  - A. INTIMATE TO THE COMPANY'S REGISTRAR AND TRANSFER AGENTS, CAMEO CORPORATE SERVICES LIMITED, #1, SUBRAMANIAM BUILDING, CLUB HOUSE ROAD, MOUNT ROAD, CHENNAI - 600 002 CHANGES, IF ANY, IN THEIR REGISTERED ADDRESSES AT AN EARLY DATE, IN CASE OF SHARES HELD IN PHYSICAL FORM;
  - B. INTIMATE TO THE RESPECTIVE DEPOSITORY PARTICIPANTS, CHANGES, IF ANY, IN THEIR REGISTERED ADDRESSES AT AN EARLY DATE, IN CASE OF SHARES HELD IN ELECTRONIC MODE; AND
  - C. QUOTE THEIR FOLIO NUMBERS/CLIENT ID/DP ID IN ALL CORRESPONDENCE.
6. MEMBERS/ PROXIES SHOULD CARRY THE ATTENDANCE SLIP DULY FILLED IN WHILE COMING TO ATTEND THE MEETING AS ALSO COPY OF THEIR ANNUAL REPORT.
7. MEMBERS ARE REQUESTED TO CONVERT THEIR SHAREHOLDINGS IN THE COMPANY INTO DEMAT FORM.
8. MEMBERS HOLDING THE EQUITY SHARES UNDER MULTIPLE FOLIOS IN THE IDENTICAL ORDER OF NAMES ARE REQUESTED TO CONSOLIDATE THEIR HOLDINGS INTO ONE FOLIO.
9. REAPPOINTMENT OF DIRECTORS

At the ensuing Annual General Meeting Mr. Ravikant Choudhry, Director of the company retires by rotation and being eligible offers himself for reappointment. Pursuant to Clause 49 of the Listing Agreement relating to the code of Corporate Governance, the particulars of the aforesaid Director are given below:

# Arihant's Securities Limited



Profile of Directors retiring by rotation:

Mr. Ravikant Choudhry B.Sc. (Maths), NFCM aged about 49 years is the promoter director and has played a key role in the growth and development of the company. He is a stock broker by profession and has a wide ranging experience in the areas of finance, investments, stock market and taxation.

Mr. Ravikant Choudhry is the director of the company since inception i.e. 13.06.1994 and is a Non-Executive Promoter Director. He is the member of the Audit Committee and Member of the Remuneration Committee and chairman of the Shareholders/ Investors Grievance Committee of the Board of Directors of the Company. He holds 1493900 Equity Shares in the company as on 31<sup>st</sup> March, 2012.

The other directorships of Mr. Ravikant Choudhry are:

1. Arihant's Stock Brokers Private Limited, Managing Director
2. ASL Capital Holdings Private Limited, Managing Director
3. DMRR Commodities Private Limited, Director
4. Arihant Foundations & Housing Limited, Director

Other Committee Memberships are One.

Chennai

Dated : 5<sup>th</sup> November, 2012

**BY ORDER OF THE BOARD**  
For **ARIHANT'S SECURITIES LIMITED**  
Sd/  
**Ravikant Choudhry**  
(Chairman & Director)

## **Explanatory Statement (Pursuant to Section 173(2) of the Companies Act, 1956)**

### **Item No. 1:**

Mr. Nishikanth Mohanlal Choudhary's present 5 years term of office as the Managing Director of the Company expires on 25<sup>th</sup> April, 2012. The Board of Directors at their meeting held on 26<sup>th</sup> April, 2012 reappointed Mr. Nishikanth Mohanlal Choudhary as the Managing Director of the Company for a further period of five years w.e.f. 26<sup>th</sup> April, 2012 subject to the approval of the members in general meeting by way of an ordinary resolution.

Mr. Nishikanth Mohanlal Choudhary aged about 51 years is a mature and dynamic person and he has vast experience in business and industry. He has widely travelled and has a sound knowledge of finance, investments and business administration. He is socially well placed and has good rapport with people at various levels. He has been serving the Company as director since its incorporation. He was subsequently appointed as the Managing Director of the Company and has been serving the company as its Managing Director since then. He is not a member of any of the Committees of the Board of Directors of the Company. His shareholding in the company is NIL. His other Directorships are NIL.

The reappointment of Mr. Nishikanth Mohanlal Choudhary as Managing Director requires the approval of the shareholders by way of an ordinary resolution. The Board considers that the reappointment of Mr. Nishikanth Mohanlal Choudhary as a Managing Director of the Company will contribute in various ways towards the progress of the company since he has requisite experience and expertise in services. It is recommended to utilise his services for the betterment of the company.

It is not proposed to pay any remuneration to Mr. Nishikanth Mohanlal Choudhary.

Mr. Nishikanth Mohanlal Choudhary shall not while holding office be subject to retirement by rotation.

The appointment is terminable by notice by either party of 60 days.

Your directors recommend to pass ordinary resolution as set out in the notice.

Mr. Nishikanth Mohanlal Choudhary may be deemed to be interested in this resolution as it concerns him and Mr. Ravikant Choudhary may be considered to be interested in this resolution to the extent of his relationship with him. No other director is concerned or interested in the passing of this resolution.

This should also be considered as an abstract of the terms of appointment of Managing Director and Memorandum as to the nature of the concern or interest of the Directors in the said appointment as required under section 302 of the Companies Act, 1956 or any amendment or modification thereof.

Chennai

Dated : 5<sup>th</sup> November, 2012

**BY ORDER OF THE BOARD**  
For **ARIHANT'S SECURITIES LIMITED**  
Sd/-  
**Ravikant Choudhry**  
(Chairman & Director)



## DIRECTORS REPORT

Your Directors are happy to present the Eighteenth Annual Report of your company together with the Audited Accounts of the Company for the financial year ended 31<sup>st</sup> March 2012.

### FINANCIAL HIGHLIGHTS:

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

(Amount in ₹)

Particulars	31.03.2012	31.03.2011
<b>Revenue from Operations</b>	<b>1,37,85,485</b>	<b>9,43,529</b>
<b>Other Income</b>	<b>12,200</b>	<b>8,947</b>
<b>Profit / (Loss) before Financial costs, Depreciation and Amortisation Expense, Exceptional and Extraordinary Items and Tax</b>	<b>1,34,89,897</b>	<b>4,92,542</b>
Less: Financial Costs	770	332
<b>Profit / (Loss) before Depreciation and Amortisation Expense, Exceptional and Extraordinary Items and Tax</b>	<b>1,34,89,127</b>	<b>4,92,210</b>
Less: Depreciation and Amortisation Expense	6,689	6,689
<b>Profit / (Loss) before Exceptional and Extraordinary Items and Tax</b>	<b>1,34,82,438</b>	<b>4,85,521</b>
Less: Exceptional and Extraordinary Items	0	0
<b>Profit / (Loss) before Tax</b>	<b>1,34,82,438</b>	<b>4,85,521</b>
Less: Current Tax	24,52,859	0
Deferred Tax	(1,859)	(1,782)
<b>Profit/ (Loss) from the period from continuing operations</b>	<b>1,10,31,438</b>	<b>4,87,302</b>
<b>Profit/ (Loss) from Discontinuing operations</b>	<b>0</b>	<b>0</b>
<b>Profit/(Loss) for the period</b>	<b>1,10,31,438</b>	<b>4,87,302</b>
<b>Earning per Equity Share (Amount in ₹)</b>		
a) Basic	2.21	0.10
b) Diluted	2.21	0.10

### MATERIAL CHANGES AND COMMITMENTS:

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

### RESERVES:

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

### DIVIDEND:

Your directors do not wish to recommend any dividend with a view to conserve the resources of the company for growth and expansion of the company.

### DEPOSITS AND LOANS/ ADVANCES:

The Company has not accepted any public deposits during the financial year.

The particulars of loans/ advances and investment in its own shares by listed companies, their subsidiaries, associates etc. required to be disclosed in the annual accounts of the company pursuant to Clause 32 of the listing agreement with the company, are furnished separately.



## **LISTING:**

The Equity Shares of the Company are listed at the Madras Stock Exchange and Bombay Stock Exchange. The Annual Listing Fees for the Financial year 2012-2013 has been paid to both the Stock Exchanges.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

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

The company is presently concentrating on Trading in shares and on loan financing. The business environment was very challenging. The India's growth story faced tough times which put corporate earnings under pressure and impacted investors sentiments towards equities. Indian Stock Markets had a muted year due to rupee depreciation, high inflation and high interest rates. FII and retail participation have been weak due to unexciting outlook. India turned out to be the worst performing market in dollar terms. There was global slowdown in general. It was a challenging year and the performance of the market was moderate. The scenario is expected to improve during the coming years. There may be interest rate cuts in the coming quarters.

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

The company has been able to recover dues in most cases of NPAs. In a few cases, court cases are pending and the company hopes to recover loans and interest dues during the future. During the year under review, the company has earned a profit of ₹ 1,10,31,438/- as against a profit of ₹ 487,302/- during the previous year. The company is hoping to achieve much better overall performance during the coming years.

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

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

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

### **d) Risk Management**

Risk evaluation and management is an ongoing process in the company.

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

Your company continues to have cordial relations with its employees.

## **COMPLIANCE WITH RBI PRUDENTIAL NORMS**

The company has complied with the prudential norms on income recognition, accounting standards, assets classification, provisioning for bad and doubtful debts as applicable to it in terms of Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 for the year ended on 31<sup>st</sup> March 2012.

## **DIRECTORS**

Mr. Ravikant Choudhry, Director of the company retires by rotation at the ensuing Annual General Meeting of the Company and being eligible offers himself for reappointment

Mr. Nishikanth Mohanlal Choudhary was reappointed as the Managing Director of the Company at the meeting of the Board of Directors held on 26<sup>th</sup> April, 2012 for a period of 5 years subject to the approval of the members in



general meeting by way of an ordinary resolution. The board recommends to pass ordinary resolution as set out in the notice of the ensuing Annual General Meeting of the Company.

### **AUDITORS:**

N.R. Krishnamoorthy & Co., Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting of the Company and being eligible offer themselves for reappointment. A written certificate pursuant to section 224(1B) has been obtained that their appointment if made will be within the limits specified therein. The Audit Committee in its meeting have recommended the reappointment of the Auditors.

### **AUDITORS REPORT:**

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

### **CORPORATE GOVERNANCE:**

Your Company is complying with the Code of Corporate Governance, which has been introduced by the Securities and Exchange Board of India (SEBI). Please find a comprehensive Report on Corporate Governance duly annexed herewith.

All Board Members and Senior Management Personnel have duly complied with the Code of Conduct established by the Company for the year 2011-2012.

A brief resume of each of the directors who are to be re-appointed at this AGM and for reappointment of Managing Director and the names of the Companies in which, they hold directorships are mentioned elsewhere in this report.

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

Pursuant to section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 the following information is provided:

The Company is a financial services company. Therefore, its operations do not account for substantial energy consumptions. Accordingly, the information required under section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, is reported as Nil.

However, the Company is taking all possible measures to conserve energy. The management keeps itself abreast of the technological advancements in the industry.

Foreign exchange earnings and outgo:

1. Foreign Exchange Earnings : Nil
2. Foreign Exchange Outgo : Nil

### **PARTICULARS OF EMPLOYEES U/S 217(2A) OF THE ACT:**

None of the employees have received remuneration in excess of the sum prescribed u/s 217(2A) of the Companies Act, 1956.

### **GOING CONCERN:**

The Directors consider on the basis of current financial results, future projections and infrastructure available that the company has adequate resources to continue the operational existence in the foreseeable accounts and therefore, the accounts have been prepared on a going concern basis.

# Arihant's Securities Limited

---



## DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2012 and of the Profit of the Company for the year ended on that date;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the annual accounts have been prepared on a going concern basis.

## COMPANY SECRETARY:

The company is making consistent efforts for appointment of Whole time Company Secretary. The company has been availing services of practicing company secretary from time to time to ensure compliance of the provisions of the applicable acts and statutes. Also the Annual Return of the Company is being certified by practicing company secretary from year to year and the company is also taking certifications from them for Stock Exchange Compliances.

## CAUTIONARY STATEMENT:

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

## ACKNOWLEDGEMENT

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

FOR AND ON BEHALF OF THE BOARD

Sd/-

Ravikant Choudhry  
(Chairman)

Chennai

Dated : 5<sup>th</sup> November, 2012





## ANNEXURE - 2 TO THE DIRECTOR'S REPORT

### CORPORATE GOVERNANCE

#### **A. MANDATORY REPORTS ON CORPORATE GOVERNANCE**

This is the Report on Corporate Governance as required under Listing Agreement entered into with Stock Exchanges and forms part of the Report of the Board of Directors to the Members of the Company. The Report further gives an insight into the organizational structure of the Company.

#### **I. Company's Vision and Philosophy on the Code of Governance:**

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

#### **II. Board of Directors :**

##### **Composition and Category**

The Board has 4 Directors, comprising of one Managing Director, two Non-Executive Directors and one Non-Executive Independent Director. The inter-se relationship among the Board of Directors is that Shri Ravikant Choudhry, Chairman and Non-Executive Director and Shri Nishikanth Choudhary, Managing Director are brothers. There is no other inter se relationship among the Board members. The Board members possess requisite skills, experience and expertise that are required to take decisions, which are in the best interest of the Company.

The Executive Director is involved in the day to day management of the Company and non-executive including the independent directors bring external and wider perspective and independence to the decision making. The composition of the Board of Directors with reference to number of Executive and Non-Executive Directors generally meets with the requirements of Clause 49(1)(A) of the Listing Agreement. Mr. Nishikanth Choudhary is the Managing Director of the Company. He works under the direction, control and supervision of the Board of Directors which meets at regular intervals. Policy formulation, evaluation of performance and control functions vest with the Board.

None of the directors is a member in more than 10 committees or acting as a Chairman of more than five committees across all companies in which they are directors.

The composition of the Board of Directors, attendance of each Director at the Board Meetings held during the year under review as well as in the last Annual General Meeting, the number of other Directorship and Committee positions held by the Director, of which the Director is a member/ Chairman as on March 31, 2012 are as under:



Name	Designation	Category	No. of Board Meetings attended during 2011-2012 out of Thirteen	Whether attended the last AGM	No. of Directorships in public companies (Other than Arihant's Securities Limited)	No. of other Board committees (Other than Arihant's Securities Limited) in which he/she is member/ chairperson
Ravikant Choudhry	Chairman	Non - Executive	Thirteen	Yes	1	1
Nishikanth Choudhary	Managing Director	Executive	Thirteen	Yes	Nil	Nil
Ajit Kumar Chordia	Director	Non-Executive & Independent	Thirteen	Yes	2	2
Subhash Chand Nahar	Director	Non - Executive	Thirteen	Yes	Nil	Nil

Further the Board of Directors would like to inform the members that none of the directors are disqualified to act as directors of this company or any other public company under Section 274(1)(g) and other applicable provisions of the Companies Act, 1956.

#### Board Agenda :

Meetings are governed by a structured Agenda and a Board member may bring up any matter for consideration of the meeting in consultation with the Chairman. Agenda papers are generally circulated to the Board members at least 4-5 working days in advance and /or is placed at the table during the course of the meeting.

An indicative list of the information usually placed before the Board is as under:

- Annual Budgets and updates thereon.
- Capital expenditure proposals if any and review of their implementation.
- Quarterly, Half yearly and Annual Results.
- Business performance and steps for improvement.
- Legal proceedings involving the Company.
- Minutes of meetings of Audit Committee, Remuneration Committee and Shareholders Committee.
- Materially important show cause notices, non-compliances, if any, etc.
- Other relevant information pertaining to the Company including information detailed in Clause 49 of the Listing Agreement.

#### III. Board Meetings :

During the financial year ended 31<sup>st</sup> March, 2012 **Thirteen** Board meetings were held i.e. on **1<sup>st</sup> April, 2011, 12<sup>th</sup> April, 2011, 30<sup>th</sup> May, 2011, 31<sup>st</sup> May, 2011, 14<sup>th</sup> July, 2011, 10<sup>th</sup> August, 2011, 3<sup>rd</sup> September, 2011, 14<sup>th</sup> October, 2011, 14<sup>th</sup> November, 2011, 29<sup>th</sup> November, 2011, 14<sup>th</sup> January, 2012, 14<sup>th</sup> February, 2012 AND 31<sup>st</sup> March, 2012**. The gap between two Board meetings did not exceed four months. All directors have attended all the Thirteen meetings and have attended the last AGM held on **30.09.2011**.

#### IV. Committees of the Board

The Board of Directors has constituted 3 Committees of the Board viz.

- \_ Audit Committee
- \_ Remuneration Committee
- \_ Shareholders Committee and



The Board determines the terms of reference of these Committees from time to time. Meetings of these Committees are convened by the respective Committee Chairman / Company Secretary. At each Board Meeting, minutes of these Committees are placed before the Directors for their perusal and noting.

**a) AUDIT COMMITTEE:**

The Audit Committee of the Board of Directors of the Company, inter-alia, provides assurance to the Board on the adequacy of the internal control systems and financial disclosures.

**TERMS OF REFERENCE:**

The terms of Reference of the Audit Committee are wide enough to cover the matters specified for Audit Committees under Clause 49 of the Listing Agreements as well as in Section 292A of the Companies Act, 1956 as amended from time to time and inter-alia includes:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees and for approval of payment to statutory auditors for any other services rendered by the statutory auditors.
3. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
  - b. Any Changes in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management and significant adjustments made in the financial statements arising out of audit findings.
  - d. The Going concern assumption.
  - e. Compliance with accounting standards.
  - f. Compliance with listing and other legal requirements relating to financial statements
  - g. Disclosure of any related party transactions i.e. transaction of the company of material nature with promoters of the management and their subsidiaries or relatives etc. that may have potential conflict with the interest of the company at large.
  - h. Qualifications in the draft audit report.
4. Reviewing, with the management, the quarterly financial statements before submission to the board for approval, performance of statutory and internal auditors, the structure and adequacy of the internal control systems.
5. Reviewing adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit and discussing with internal auditors any significant findings and follow up there on.
6. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
7. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
8. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
9. Reviewing the Company's financial and risk management policies.
10. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.



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

The Audit Committee, inter alia, reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor.

In fulfilling the above role the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees, to obtain outside legal and professional advice and to secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee while reviewing the Annual Financial Statements also reviews the applicability of various Accounting Standards (AS) issued by the Institute of Chartered Accountants of India. Compliance of the AS as applicable to the Company has been ensured in the financial statements for the year ended March 31, 2012.

**Constitution:**

The Audit Committee comprises of three directors of whom two are Non-Executive Directors and one is Non-Executive Independent Director. The Audit Committee is constituted in accordance with the provisions of Clause 49(IIA) of the Listing Agreement and Section 292A of the Companies Act, 1956. All these directors possess requisite knowledge of Accounts, finance and applicable laws. One of the members acts as Chairman of the Committee Meetings. The Auditors are also invited to the Meetings wherever required. Head of Finance is the Special Invitee of the Audit Committee. The quorum for the Audit Committee Meetings is two members. The Minutes of the Audit Committee Meetings are noted by the Board of Directors at the subsequent Board Meeting.

The composition of the Audit Committee is as follows:

1. **Ajit Kumar Chordia**
2. **Subhash Chand Nahar**
3. **Ravikant Choudhry**

The Committee is chaired by Ajit Kumar Chordia who is a Non-Executive Independent Director

**Meetings and Attendance:**

The Audit Committee met 5 (five) times during the year ended 31<sup>st</sup> March, 2012 i.e. on

**15<sup>th</sup> April, 2011, 30<sup>th</sup> May, 2011, 10<sup>th</sup> August, 2011, 14<sup>th</sup> November, 2011 AND 14<sup>th</sup> February, 2012.**

The gap between two meetings did not exceed four months. The Audit Committee also met prior to finalization of accounts for the year ended 31<sup>st</sup> March, 2012. And all the directors have attended all the five meetings.

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company to answer the Shareholders queries.

**b) REMUNERATION COMMITTEE :**

**TERMS OF REFERENCE AND REMUNERATION POLICY:**

The Remuneration Committee has been constituted to recommend and review the remuneration packages of the Managing Director, Whole time Directors and to formulate a broad policy for management remuneration. The remuneration policy as outlined by the committee aims at recognizing and rewarding performances and achievements, while fixing the remuneration of Directors their contribution by way of their professional approach. This policy is in tune with national and international practices.

**Constitution:**

The Remuneration Committee comprises of three directors of whom two are Non-Executive Directors and one is Non-Executive Independent Director. The Chairman of the Remuneration Committee is a Non-Executive Director nominated by the Board.

## Arihant's Securities Limited

---



**The Committee consists of 3 (three) directors:**

1. **Subhash Chand Nahar**
2. **Ravikant Choudhry**
3. **Ajit Kumar Chordia**

The Committee is chaired by Shri Subhash Chand Nahar who is a Non-Executive Director.

Meetings and Attendance:

The Remuneration Committee met once during the year i.e. on

**31<sup>st</sup> October, 2011**

And all the directors have attended the meeting.

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

The Shareholdings of directors in the Company as on 31<sup>st</sup> March, 2012 are as under.

- |  |                         |
|--|-------------------------|
| 1. Ravikant Choudhry, Chairman             | : 1493900 Equity Shares |
| 2. Nishikanth Choudhary, Managing Director | : Nil                   |
| 3. Ajit Kumar Chordia, Director            | : Nil                   |
| 4. Subhash Chand Nahar, Director           | : 60100 Equity Shares   |

### **c) SHAREHOLDERS/ INVESTORS GRIEVANCE COMMITTEE:**

The Board of Directors have constituted a Committee of Directors which functions as Shareholders/ Investors Grievance Committee, consisting of three Directors of whom two are Non-Executive directors, one is Non Executive Independent Director Chaired by a Non-Executive Director.

The Shareholders/ Investor's Grievance Committee of the Board oversees share transfers and monitor investors grievances such as complaints on transfer of shares, non receipt of balance sheet, non receipt of declared dividends etc., and redressal thereof, within the purview of the guidelines setout in the listing agreement.

The Company used to give a detailed report on steps taken by it to the Committee to specifically look into redressing shareholders and investor's complaint, break up of the nature of complaints received including number of complaints not resolved to the satisfaction of the complainants. Additionally details of communication received from agencies like Stock Exchanges/SEBI/ Ministry of Corporate Affairs were placed with an explanation as to how such communication was responded to and within how many days/ weeks.

The Company has delegated to its Registrar and Share Transfer Agent, all shares related works. No complaint of any material nature was received during the year under review.

### **Constitution:**

**The Committee consists of 3 (three) directors:**

1. **Ravikant Choudhry**
2. **Subhash Chand Nahar**
3. **Ajit Kumar Chordia**

**The Committee is chaired by Mr. Ravikant Choudhry who is a Non-Executive director of the Company.**

Meetings and Attendance:

The Shareholders Committee met 4 (four) times during the year i.e. on

**30<sup>th</sup> May, 2011, 10<sup>th</sup> August, 2011, 14<sup>th</sup> November, 2011 AND 14<sup>th</sup> February, 2012.**

And all the directors have attended all the four meetings..

### **NAME AND DESIGNATION OF THE COMPLIANCE OFFICER:**

SHRI D. SHANMUGAM, COMPLIANCE OFFICER

Tel No. : +91-44-28444555

Fax No. : +91-44-43434030

Email ID : [arihantssecurities@gmail.com](mailto:arihantssecurities@gmail.com)

## Arihant's Securities Limited



### DETAILS OF INVESTORS COMPLAINTS RECEIVED AND ADDRESSED:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
0	1	1	0

No Investors grievances remained unattended/ pending for more than 30 days as on 31<sup>st</sup> March, 2012.

### V. GENERAL BODY MEETINGS :

Location and time, where last three Annual General Meetings were held is given below:

General Body Meeting	Date	Venue	Time	Special Resolutions passed at AGM
AGM for the year 2011	30.09.2011	138, Dr. Radhakrishnan Salai, Mylapore, Chennai-600 004.	9.30 A.M.	No
AGM for the year 2010	28.09.2010	138, Dr. Radhakrishnan Salai, Mylapore, Chennai-600 004.	9.30 A.M.	No
AGM for the year 2009	16.09.2009	138, Dr. Radhakrishnan Salai, Mylapore, Chennai-600 004.	9.30 A.M.	No

No Special Resolutions were passed at the last three Annual General Meetings. No Extraordinary General Meetings was held and no resolution was put to vote through Postal Ballot during the year under review.

### VI. SUBSIDIARIES : NIL

### VII. CODE OF CONDUCT:

The Board of Directors has adopted the Code of Business Conduct and Ethics for Directors and Senior Management. The said code has been communicated to the Directors and members of the Senior Management and they have affirmed compliance with the same. There is no website of the company.

### VIII. PREVENTION OF INSIDER TRADING :

The Company has framed a Code of Conduct for prevention of Insider Trading based on SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time. This code is applicable to all Directors/Officers/Designated Employees. The code ensures the prevention of dealing in company's shares by persons having access to unpublished price sensitive information.

### IX. DISCLOSURES :

There have been no materially significant transactions, pecuniary transactions or relationships between the company and directors, management or related parties except those disclosed in the financial statements for the year ended 31<sup>st</sup> March, 2012. Further the details of the Related party transactions are presented in the Notes to Accounts. In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956. No penalties/ strictures have been imposed on the company by any regulatory authority for non-compliance of any law relating to capital markets. The Company has complied with the mandatory requirements relating to strengthening the responsibilities of Audit Committee, improving the quality of financial disclosures, including related party transactions and periodical review by the Board and its constituted committees. The Company has adopted the non-mandatory requirements with regard to setting up of a remuneration committee. The financial statements of the company are unqualified.



### MEANS OF COMMUNICATION :

- (i) The Board of Directors of the company approves and takes on record the quarterly and yearly financial results in the proforma prescribed by Clause 41 of the Listing Agreement within the prescribed time of the close of the respective period.
- (ii) The approved financial results are forthwith sent to the listed stock Exchanges and are published in the leading national English Newspaper namely Trinity Mirror (English daily). In addition the same is published in local language (Tamil) newspaper namely Makkal Kural (Tamil daily) within forty-eight hours of approval thereof. The same are not sent to the shareholders separately.
- (iii) Management Discussion and Analysis forms part of the Annual Report, which is posted to the shareholders of the company.
- (iv) The Company has not made presentations to Institutional Investors or to Analysts.
- (v) Company's Email ID: arihantssecurities@gmail.com

### X. GENERAL SHAREHOLDERS INFORMATION :

Registered Office : **138, Dr. Radhakrishnan Salai, Mylapore, Chennai 600 004.**  
Number of AGM : **18<sup>th</sup> AGM**  
Date : **30<sup>th</sup> November, 2012**  
Day : **FRIDAY**  
Time : **9.30 A.M.**  
Venue : **138, Dr. Radhakrishnan Salai, Mylapore, Chennai - 600 004.**  
Financial year : **1<sup>st</sup> April, 2011 to 31<sup>st</sup> March, 2012**  
Book Closure date : **FRIDAY, 30<sup>th</sup> November, 2012 TO FRIDAY, 30<sup>th</sup> November, 2012**  
Dividend payment date: **Not Applicable**

#### LISTING ON STOCK EXCHANGES:

The Bombay Stock Exchange Limited, Mumbai  
Madras Stock Exchange Limited, Chennai

**LISTING FEES:** The company has paid listing fees upto the financial year 2012-2013

#### REGISTRAR AND TRANSFER AGENTS:

CAMEO CORPORATE SERVICES LIMITED,  
#1, SUBRAMANIAM BUILDING, CLUB HOUSE ROAD,  
MOUNT ROAD, CHENNAI - 600 002.

#### SHARE TRANSFER SYSTEM:

The share transfers in physical form are processed and the share certificates returned within a period of 10 to 15 days from the date of receipt by the Registrar and Transfer Agent so long as the documents have been clear in all respects. In case of shares in electronic form, the transfers are processed by NSDL/ CDSL through respective Depository participants. The company as per SEBI Guidelines offers the facility of transfer cum demat. There are no pending share transfers and requests for demat as on 31<sup>st</sup> March, 2012. In compliance with the Listing Agreement with the Stock Exchanges, a Practising Company Secretary carries out an Audit of the System of Transfer and a certificate to that effect is issued.

## Arihant's Securities Limited



### SHARE PRICES:

Stock Code :

Name of the Stock Exchange	Stock Code (Physical)	Stock Code (Demat)
Bombay Stock Exchange Ltd.	531017	531017
Madras Stock Exchange Ltd.	ARIHTSECU	ARIHTSECU

### Market Price Data :

High, low (based on the closing prices) and number of shares traded during each month in the financial year 2011-2012 on the Bombay Stock Exchange Limited

BOMBAY STOCK EXCHANGE LIMITED			
Month	High (Rs)	Low (Rs)	Total Number of Shares Traded
April - 2011	9.00	9.00	1100
May - 2011	9.00	9.00	2700
July - 2011	9.45	9.45	100
August - 2011	9.20	9.00	500
September - 2011	9.30	9.20	2600
October - 2011	9.20	9.20	1500
January - 2012	9.20	9.00	600
February - 2012	9.00	9.00	7500
March - 2012	15.24	9.45	19700

### PERFORMANCE OF SHARE PRICE OF THE COMPANY IN COMPARISON TO THE BSE SENSEX

#### Historic Graphs



(For selected period)	BSE	NSE
High	15.24	
Low	9.00	





## MANAGEMENT DISCUSSION AND ANALYSIS REPORT :

The Management Discussion and Analysis Report is included in the Directors Report and forms part of the Annual Report.

## XI. COMPLIANCE CERTIFICATE OF THE AUDITORS :

The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges and the same is annexed to the Directors Report and Management Discussion and Analysis. The certificate from the Statutory Auditors will be sent to the listed Stock Exchanges alongwith the Annual Reports of the Company.

## XII. CHIEF EXECUTIVE OFFICER CERTIFICATE :

The Chief Executive Officer have certified to the Board as required under Clause 49(v) of the Listing Agreement and the same is annexed to and forms part of this report.

### SHARE HOLDING PATTERN AS ON 31<sup>ST</sup> MARCH, 2012

Category	Shares	%
<b>A. <u>Promoters and Promoters Group Shareholdings</u></b>		
a) Indian	2114600	42.2920
b) Foreign	—	—
<b>Sub-Total</b>	<b>2114600</b>	<b>42.2920</b>
<b>B. <u>Non Promoters Shareholdings</u></b>		
<b>1. Institutional Investors</b>		
a) Mutual Funds and UTI	—	—
b) Banks, Financial Institutions, Insurance Companies, Central Government/ State Governments/ Venture Capital Funds.	—	—
c) FIIs/ Foreign Venture Capital Investors	—	—
<b>2. Non Institutional Investors</b>		
a) Bodies Corporate	994796	19.8959
b) Indian Public	1850254	37.0051
c) NRIs	31250	0.6250
d) Any other (Please Specify)		
Clearing Members	2100	0.0420
Hindu Undivided Families	7000	0.1400
<b>Sub-Total</b>	<b>2885400</b>	<b>57.7080</b>
<b>Grand Total</b>	<b>5000000</b>	<b>100</b>

## Arihant's Securities Limited



### DISTRIBUTION SCHEDULE AS ON 31.03.2012

No. of Equity Shares Held	No. of Share Holders	%	No. of Shares	%
Upto 5000	1680	78.7992	265104	5.3020
5001 - 10000	177	8.3020	147400	2.9480
10001 - 20000	112	5.2532	166600	3.3320
20001 - 30000	82	3.8461	205400	4.1080
30001 - 40000	14	0.6566	49300	0.9860
40001 - 50000	14	0.6566	68100	1.3620
50001 - 100000	22	1.0318	186900	3.7380
100001 & above	31	1.4540	3911196	78.2239
Total	2132	100.0000	5000000	100.0000

#### Dematerialisation of Shares and Liquidity:

The company's shares are available for trading on both the depositories in India viz., National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As on 31<sup>st</sup> March, 2012 the details of shares in demat mode and in physical mode are as under :

**No. of shares in Physical mode : 2684850 (53.6970%)**

**No. of shares in dematerialized mode : 2315150 (46.3030%)**

Under the Depository system the International Securities Identification Number ( ISIN ) allotted to the Company's Shares is **INE190D01015**

**Outstanding GDRs/ADRs/ Warrants : Nil**

#### SECRETARIAL AUDIT FOR RECONCILIATION OF CAPITAL:

As stipulated by SEBI, a qualified practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This Audit is carried out every quarter and the report thereon is submitted to the Listed Stock Exchanges. The audit confirms that the total listed and paid up capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

#### Company Registration details

The Company is registered in the State of Tamilnadu. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L65993TN1994PLC027783

**The Company has not issued any GDRs/ADRs/ Warrants/Convertible Instruments.**

#### Address for Correspondence :

**Regd. Office:** 138, Dr. Radhakrishnan Salai, Mylapore, Chennai - 600 004.

In terms of Clause 47(f) of the Listing Agreement of Stock Exchanges, investors may please use the following exclusive e-mail id for redressal of Investor requests/complaints:-

E-mail : arihantssecurities@gmail.com

Compliance Officer : D. Shanmugam

Tel No. : +91-44-28444555

**Registrar And Transfer Agents:** Cameo Corporate Services Limited,

#1, Subramaniam Building, Club House Road, Mount Road, Chennai 600 002.

**Factory Location : Nil**

**For and on behalf of the Board**

**Sd/-**

**Chairman**

**(Ravikant Choudhry)**

**Date :05.11.2012**

**Place : Chennai**



### DECLARATION REGARDING COMPLIANCES BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a code of conduct for the members of the Board and Senior Management Personnel. I confirm that the company has, in respect of the financial year ended 31<sup>st</sup> March, 2012, received from the members of the Board and Senior Management Team of the Company, a declaration of compliance with the code of conduct as applicable to them.

Place : Chennai  
Date : 05.11.2012

Sd/-  
Nishikanth Choudhary  
Managing Director

### AUDITORS CERTIFICATE REGARDING COMPLIANCE WITH CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

REGISTRATION NO. OF THE COMPANY : 18-27783

NOMINAL CAPITAL : ₹ 6,00,00,000/-

TO  
THE MEMBERS OF ARIHANT'S SECURITIES LIMITED  
CHENNAI

We have examined all the relevant records of M/s. **ARIHANT'S SECURITIES LIMITED** for the purpose of certifying compliance of the conditions of Corporate Governance under Clause 49 of the Listing Agreement with Stock Exchanges for the financial year ended on 31st March, 2012. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. This certificate 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.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the company has complied with the applicable mandatory conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement and the company has adopted the non-mandatory requirements with regard to setting up of a remuneration committee. The financial statements of the company are unqualified.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that the Registrar and Share Transfer Agents of the Company have maintained records to show Investors' Grievances against the Company and have certified that as on 31st March, 2012 there were no investor grievances remaining unattended / pending for a period exceeding one month.

For M/s. N R Krishnamoorthy & Co., Chartered Accountants

Sd/-  
(N R Krishnamoorthy)  
Partner  
Membership No. 020638  
Firm Registration No.001492S  
Date : 05.11.2012  
Place : Chennai

# Arihant's Securities Limited



**CERTIFICATION BY CEO/CFOs issued pursuant to revised Clause 49 of the Listing Agreement.**

The Board of Directors  
**ARIHANT'S SECURITIES LIMITED**  
**CHENNAI.**

**Re : Financial Statements for the year 2011-12 - Certification by CEO**

I, Nishikanth Choudhary, Managing Director of M/s. **ARIHANT'S SECURITIES LIMITED, CHENNAI** certify that :

1. I have reviewed the financial statements and the cash flow statement for the year ended 31.3.2012 and that to the best of my knowledge and belief
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) these statements together present a true and fair view of the state of affairs of the company and of the results of operations and cash flows. The financial statements have been prepared in conformity in all material respect, with the existing generally accepted accounting principles including Accounting Standards, applicable laws and regulations.
2. There are to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. I accept overall responsibility for the company's internal control system for financial reporting. This is monitored by the Internal Audit Function which encompasses the examination and evaluation of the adequacy and effectiveness. Internal Auditor works with all levels of management and statutory auditors and reports significant issues to the Audit Committee of the Board. The Auditors and Audit Committee are apprised of any corrective action taken with regard to significant deficiencies and material weaknesses.
4. I indicated to the Auditors and Audit Committee
  - a) significant changes in internal control over financial reporting during the year
  - b) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - c) instances of significant fraud of which I have become aware of and which involve management or other employees who have significant role in the company's internal control system over financial reporting.

However, during the year, there were no such changes or instances.

**Sd/-**  
**(Signature of the Certifying Authority)**  
**Nishikanth Choudhary**  
**(Managing Director)**  
**Date : 05.11.2012**  
**Place : Chennai**

---

The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliance by companies and has issued Circulars No. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011.

The Circulars provide that a company will be in compliance with the provisions of Sections 53 and 219 of the Companies Act, 1956, in case documents like notices, annual report, etc. are sent in electronic mode to its members.

In view of the above, we propose to send henceforth the documents like the notices, annual report, etc. in electronic form, to the email address of the respective members.

To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses in the following manner:

1. In respect of electronic holdings with the Depository through their concerned Depository Participants.
2. Members who hold shares in physical form are requested to mail your e-mail record to [arihantssecurities@gmail.com](mailto:arihantssecurities@gmail.com) quoting your name and folio number.

This initiative would enable the members receive communication promptly besides paving way for reduction in paper consumption and wastage. You would appreciate the "Green Initiative" taken by MCA and your Company's desire to participate in the initiative.

---



## AUDITORS' REPORT TO THE MEMBERS OF ARIHANT'S SECURITIES LIMITED

1. We have audited the attached Balance Sheet M/s. Arihant's Securities Limited as at March 31, 2012 and the Profit and Loss Account and the Cash Flow Statement for the year ended March 31, 2012. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted the audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies Auditors Report Order, 2003 and amended by the Companies Auditors Report (Amendment) Order, 2004 issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, on the basis of such checks as we considered appropriate and the information and explanations given to us during the course of the audit of the books and accounts, we enclose in the Annexure a statement on the matters specified in the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we state that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - ii. In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books.
  - iii. The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - iv. In our opinion, the Balance Sheet, the Profit and Loss Account and the cash flow statement dealt by with this report have been prepared in all material respects in compliance with the applicable accounting standards issued by the Institute of Chartered Accountants of India referred to in Section 211(3C) of the Companies Act, 1956.
  - v. On the basis of written representations received from the directors as on March 31, 2012 and taken on record by the Board of directors of the company, none of the directors is disqualified as on March 31, 2012 from being appointed as a Director in terms of Section 274(1)(g) of the Companies Act, 1956.
  - vi. In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement, read together with significant accounting policies and the notes thereon give in the prescribed manner the information required by the Companies Act, 1956 of India and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - a) In the case of the Balance Sheet, the state of affairs of the company as at March 31, 2012 and
    - b) In the case of the Profit and Loss Account, of the Profit for the year ended on that date.
    - c) In the case of the Cash Flow Statement, of the Cash flow for the year ended on that date.

**For N.R. KRISHNAMOORTHY & CO.,**  
Chartered Accountants  
**FRN : 001492S.**  
Sd/-  
**N.R. KRISHNAMOORTHY**  
Partner  
**Membership No. : 020638**

Place: Chennai  
Date: 03.09.2012



ANNEXURE referred to in paragraph 3 of our report of even date to the members  
of **ARIHANT'S SECURITIES LIMITED** for the year ended 31<sup>st</sup> March 2012

1. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
b. All the assets have not been physically verified by the management during the year but there is a regular programme of verification, which in our opinion, is reasonable having regard to the size of the company and nature of its assets. As informed to us, no material discrepancies were noted on such verification.
2. a. The company has not disposed off substantial part of its fixed assets during the year.  
b. As informed to us, the inventories, have been verified by the management with the supporting evidence during the year. In our opinion, the frequency of verification is reasonable.  
c. The procedures of verification of inventory followed by the management are reasonable and adequate in relation to size of the company and the nature of its business.
3. a. On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory (shares). We are informed that no discrepancies were noticed on verification between the dematerialized stocks, physical certificates of stocks and the book records.  
b. The company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.  
c. The company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. a. According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956, have been so entered.  
b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding in value of rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The company has not accepted deposits from the public.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. The company has not been required by the Central Government to maintain cost records under section 209 (1) (d) of the Companies Act, 1956.
9. a. The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee state insurance fund, income tax, sales tax, customs duty, excise duty and other material statutory dues applicable to it.  
b. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March 2012 for a period of more than six months from the date they became payable.
10. The Company's Accumulated losses at the end of the financial year are less than fifty percent of its net worth, and it has not incurred cash losses during the financial year.
11. In our opinion and according to the information and explanations given to us, the company has no outstanding dues to a financial institution / bank.
12. In our opinion and according to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.
14. Based on our audit procedures and according to the information and explanations provided to us by the management, we are of the opinion that the Company has maintained proper records in respect of the trading transactions and contracts of shares, securities, debentures and other investment. Also, the Company has accounted such transaction on date of transactions further, the investments have been held by the Company in its own name.
15. According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
16. In our opinion and according to the information and explanation given to us, the Company has not taken any term loan during the year covered by our audit.
17. According to the information and explanations given to us and on overall examination of the balance sheet of the company we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
18. According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. According to the information and explanations given to us, the company has not issued any debentures during the period covered by our audit.
20. The company has not raised any money by way of public issue during the year.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For **N.R. KRISHNAMOORTHY & CO.**,  
Chartered Accountants  
FRN : 001492S.  
Sd/-

**N.R. KRISHNAMOORTHY**  
Partner  
Membership No. : 020638

Place: Chennai  
Date: 03.09.2012

## Arihant's Securities Limited

---



To  
The Board of Directors,  
Arihant 's Securities Ltd

As required by the "Non-Banking Financial Companies Auditor's Report (Reserve Bank) Direction, 2008" issued by Reserve Bank of India ("the Bank" or RBI), and based on the books and records verified by us and according to the information and explanations given to us during the course of our audit, we give hereunder our report on matters specified in paragraph 3 of the said Directions for ARIHANT 'S SECURITIES LTD ('the Company")

1. The Company is engaged in the business of Non Banking Finance Institution and it has obtained Certificate of Registration No. : 07.00211 dated 1<sup>st</sup> April, 1998 from Reserve Bank of India
2. The Company is entitled to hold such certificate of registration in terms of its asset income pattern as on March 31, 2012
3. The Board of Directors in their meeting held on 1<sup>st</sup> April, 2011 has passed a resolution for non-acceptance of any public deposit without prior approval of Reserve Bank of India in writing
4. As per the information and explanations given to us and as appears from the books of account of the company, company has not accepted any deposit from the public during the year ended on 31<sup>st</sup> March, 2012
5. In our opinion and as per the information and explanations given to us the Company has complied with prudential norms relating to income recognition, accounting standard, asset classification, and provisioning of bad and doubtful debt as applicable to it in terms of Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 for the year ended on 31<sup>st</sup> March 2012

Place : Chennai  
Date : 03.09.2012

For N.R. KRISHNAMOORTHY & CO.,  
Chartered Accountants.

Sd/-  
N.R. KRISHNAMOORTHY  
Partner  
Membership No. : 020638  
FRN : 001492S

# Arihant's Securities Limited



## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2012

Particulars	Note No.	As at 31.03.2012 ₹	As at 31.03.2011 ₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	50,000,000	50,000,000
(b) Reserves and Surplus	2	(9,512,114)	(20,543,552)
(c) Money received against share warrants			
<b>(2) Share application money pending allotment</b>			
		-	-
<b>(3) Current Liabilities</b>			
(a) Trade payables	3	6,739,900	6,722,404
(b) Short-term provisions	4	2,483,907	209,070
<b>Total</b>		<b>49,711,694</b>	<b>36,387,922</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
<b>(a) Fixed assets</b>			
Tangible assets	5	1,561,360	1,568,049
(b) Non-current investments	6	900,000	900,000
(c) Deferred tax assets (net)	7	5,270	3,411
(d) Long term loans and advances	8	14,866,814	14,635,691
<b>(2) Current assets</b>			
(a) Current investments	9	20,431,065	18,566,273
(b) Trade receivables	10	11,801,421	-
(c) Cash and cash equivalents	11	86,170	714,497
(d) Short-term loans and advances	12	59,593	-
<b>Total</b>		<b>49,711,694</b>	<b>36,387,922</b>

**Significant Accounting Policies and Notes on Accounts forming part of financial statements vide our report even date**

For N.R. KRISHNAMOORTHY & CO.,  
Chartered Accountants.

FRN : 001492S

Sd/-

N.R. KRISHNAMOORTHY, Partner

Membership No. : 020638

Place: Chennai

Date: 03.09.2012

For and on behalf of the Board of Directors

Sd/-

**RAVIKANT CHOUDHRY**  
Chairman & Director

Sd/-

**NISHIKANTH CHOUDHARY**  
Managing Director



# Arihant's Securities Limited



## PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012

Particulars	Note No.	As at March 31, 2012 ₹	As at March 31, 2011 ₹
I. Revenue from operations	13	13,785,485	943,529
II. Other Income	14	12,200	8,947
<b>Total Revenue (I +II)</b>		<b>13,797,685</b>	<b>952,476</b>
<i>III. Expenses:</i>			
Employee benefit expense	15	102,779	168,022
Financial costs		770	332
Other operating expenses	16	205,008	291,912
Depreciation and amortization expense	5	6,689	6,689
<b>Total Expenses</b>		<b>315,247</b>	<b>466,955</b>
IV. Profit before exceptional and extraordinary items and tax (III - IV)		13,482,438	485,521
V. Exceptional Items		-	-
VI. Profit before extraordinary items and tax (V - VI)		<b>13,482,438</b>	<b>485,521</b>
VII. Extraordinary Items		-	-
VIII. Profit before tax (VII - VIII)		13,482,438	485,521
IX. Tax expense:			
(1) Current tax		2,452,859	-
(2) Deferred tax		(1,859)	(1,782)
X. Profit(Loss) for the period from continuing operations (IX - X)		<b>11,031,438</b>	<b>487,302</b>
XI. Profit/(Loss) from discontinuing operations		-	-
XII. Tax expense of discounting operations		-	-
XIII. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XIV. Profit/(Loss) for the period (XI + XIV)		<b>11,031,438</b>	<b>487,302</b>
XV. Earning per equity share:			
(1) Basic		2.21	0.10
(2) Diluted		2.21	0.10

**Significant Accounting Policies and Notes on Accounts forming part of financial statements vide our report even date**

For N.R. KRISHNAMOORTHY & CO.,  
Chartered Accountants.  
FRN : 001492S

Sd/-

N.R. KRISHNAMOORTHY, Partner

Membership No. : 020638

Place: Chennai

Date: 03.09.2012

For and on behalf of the Board of Directors

Sd/-

**RAVIKANT CHOUDHRY**  
Chairman & Director

Sd/-

**NISHIKANTH CHOUDHARY**  
Managing Director



## CASH FLOW STATEMENT

	2011-12 ₹	2010-11 ₹
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and Extraordinary items	13,482,438	485,521
Adjustments for :		
Add : Provisions	-	-
Add : Depreciation	6,689	6,689
	13,489,127	492,210
Less : Other Income	-	-
Operating Profit before working capital changes	13,489,127	492,210
Adjustments for :		
Add : Decrease in Current Assets	-	2,307,543
	13,489,127	2,799,753
Add : Increase in Current Liabilities	17,496	2,733,565
	13,506,624	5,533,318
Less : Increase in Current Assets	13,956,929	5,499,291
	(450,305)	34,028
Less : Decrease in Current Liabilities	178,022	89,309
Cash generated from Operations	(628,327)	(55,281)
Add : Other Income	-	-
Net Cash from Operating Activities	(628,327)	(55,281)
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase/Sale of Fixed Assets	-	-
Purchase/Sale of Investments	-	-
Net Cash used for Investing Activities	-	-
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Share Capital	-	-
Secured or Unsecured Loans taken	-	-
Net Cash from Financing Activities	-	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(628,327)</b>	<b>(55,281)</b>
Cash & Cash Equivalents as at 01.04.2011	714,497	769,778
Cash & Cash Equivalents as at 31.03.2012	86,170	714,497

"As per our Report Attached"  
**For N.R. KRISHNAMOORTHY & CO.,**  
 Chartered Accountants.  
 FRN : 001492S

Sd/-  
**N.R. KRISHNAMOORTHY,**  
 Partner  
 Membership No. : 020638  
 Chennai, 03.09.2012

For and on behalf of the Board of Directors  
**Sd/-**  
**RAVIKANT CHOUDHRY**  
 Chairman & Director

**Sd/-**  
**NISHIKANTH CHOUDHARY**  
 Managing Director



## Significant Accounting Policies and Notes to accounts:

### Significant Accounting Policies:

1. Basis of Preparation of Financial Statements:

The financial statements are prepared under the historical cost convention from the books of accounts maintained on accrual basis, in conformity with the accounting principles generally accepted in India , and comply with the accounting standards issued by the council of the Institute of Chartered Accountants of India and referred to in section 211(3C) of the Companies Act , 1956.

2. Fixed Assets:

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

3. Depreciation:

Depreciation is provided on Straight Line Method as per the rates and in the manner specified in Schedule XIV of Companies Act, 1956.

4. Investments:

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

5. Shares & Securities:

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

6. Financial Statements are prepared based on Indian Accounting Standards

7. Taxes on Income:

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



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

8. Earnings per Share:

The Basic earnings per share is computed by dividing the net profit after tax for the period by the weighted average number of Equity Shares outstanding during the period. Diluted earnings per share, if any is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period except when the results are anti-dilutive.

9. Impairment of Assets:

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

10. Provision, Contingent Liabilities and Contingent Assets:

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

11. Prior Period Items and Changes in Accounting Policies:

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

# Arihant's Securities Limited



Notes to and forming part of Balance Sheet as at 31<sup>st</sup> March 2012

Note 1 : Share Capital

(Amount in ₹)

Particulars	31.03.2012	31.03.2011
<b>Authorised Capital</b>		
60,00,000 Equity Shares of ₹ 10/- each	60,000,000	60,000,000
	<u>60,000,000</u>	<u>60,000,000</u>
<b>Issued, Subscribed and Paid Up Capital</b>		
50,00,000 Equity Shares of ₹ 10/- each, Fully Paid up	50,000,000	50,000,000
<b>Total</b>	<u>50,000,000</u>	<u>50,000,000</u>
<b>1(a) Reconciliation of Nos. Of Shares</b>		
Number of Equity Shares at the beginning	5,000,000	5,000,000
Add : Number of Shares Issued	-	-
Number of Equity Shares at the end	<u>5,000,000</u>	<u>5,000,000</u>

1(b) Below are the name of the shareholders holding more than 5% of Shares

Name of Shareholder	No. Of Share Holding	% of Holding
Ravikant Choudhry	1,493,900	29.88
Khivraj Auto & Investments Private Limited	372,500	7.45

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

Note 2 : Reserve and Surplus

(Amount in ₹)

Particulars	31.03.2012	31.03.2011
General Reserve	2,500,000	2,500,000
Special Reserve	3,149,169	3,149,169
<b>Surplus ( Profit &amp; Loss Account ) :</b>		
As per last Balance sheet	(26,192,721)	(26,680,023)
Add : Profit/ (loss) during the year	11,031,438	487,302
Amount transferred to Reserve	<u>(15,161,283)</u>	<u>(26,192,721)</u>
<b>Total</b>	<u>(9,512,114)</u>	<u>(20,543,552)</u>

# Arihant's Securities Limited



## Notes to and forming part of Balance Sheet as at 31<sup>st</sup> March 2012

### Note 3 : Trade Payables (Amount in ₹)

Particulars	31.03.2012	31.03.2011
Trade Creditors	6,739,900	6,722,404
<b>Total</b>	<b>6,739,900</b>	<b>6,722,404</b>

1. Sundry Creditors represent the amount received as advances during the normal course of business.
2. There are no amounts due to Small Scale Industries in terms of "Micro, Small and Medium Enterprises Development Act, 2006"

### Note 4 : Short Term Provisions (Amount in ₹)

Particulars	31.03.2012	31.03.2011
<b>Provision From Employees Benefit</b>		
Provision for Salaries	10,000	5,000
<b>Others</b>		
Provision for taxation	2,453,907	184,070
Provision for Audit Fees	20,000	20,000
<b>Total</b>	<b>2,483,907</b>	<b>209,070</b>

### Note 5 : Fixed Assets (Amount in ₹)

Description	Gross Block at cost				Depreciation			Net Block	
	As on 1.4.2011 ₹	Additions ₹	Deductions ₹	As on 31.03.2012 ₹	As on 1.4.2011 ₹	For the year ₹	As on 31.03.2012 ₹	As on 31.03.2012 ₹	As on 31.03.2011 ₹
Land	1,556,690	-	-	1,556,690	-	-	-	1,556,690	1,556,690
Computer	16,150	-	-	16,150	11,779	2,618	14,397	1,753	4,371
Motor Cycle	39,138	-	-	39,138	34,572	3,718	38,290	848	4,566
Office Equipments	7,438	-	-	7,438	5,016	353	5,369	2,069	2,422
<b>Total</b>	<b>1,619,416</b>	<b>-</b>	<b>-</b>	<b>1,619,416</b>	<b>51,367</b>	<b>6,689</b>	<b>58,056</b>	<b>1,561,360</b>	<b>1,568,049</b>

Fixed Assets have been depreciated in accordance with Section 205 (2) (d) of the Companies Act, 1956.

### Note 6 : Non Current Investment (Amount in ₹)

Particulars	31.03.2012	31.03.2011
Investment in Property *	900,000	900,000
<b>Total</b>	<b>900,000</b>	<b>900,000</b>

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

# Arihant's Securities Limited



## Notes to and forming part of Balance Sheet as at 31<sup>st</sup> March 2012

### Note 7 : Deferred Tax Assets (Net)

(Amount in ₹)

Particulars	31.03.2012	31.03.2011
Deferred Tax Asset	5,270	3,411
<b>Total</b>	<b>5,270</b>	<b>3,411</b>

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

Particulars	31.03.2012	31.03.2011
Deferred Tax Asset :		
a. Provision for Investments / Non Performing Assets, etc.,	-	-
b. Income deferment on Non Performing Assets	-	-
c. Depreciation	1,859	1,782
d. Other Timing Differences	-	-
Deferred Tax Liability		
a. Depreciation	-	-
b. Others	-	-
<b>Total</b>	<b>1,859</b>	<b>1,782</b>

### Note 8 : Long Term Loans and Advances

(Amount in ₹)

Particulars	31.03.2012	31.03.2011
<b>Capital Assets</b>		
a) Secured, Considered Good :	-	-
b) Unsecured, Considered Good :	-	-
c) Doubtful	-	-
<b>Security Deposit</b>		
a) Secured, Considered Good :	-	-
b) Unsecured, Considered Good :	-	-
c) Doubtful	-	-
<b>Financing Activity</b>		
a) Secured Loan :		
i) Considered Good	-	-
ii) Considered Doubtful	-	-
Less : Provision for Doubtful loans	-	-
b) Unsecured Loan :		
i) Considered Good	4,334,655	3,882,711
ii) Considered Doubtful	1,280,194	1,280,194
Less : Provision for Doubtful loans	1,280,194	1,280,194
	4,334,655	3,882,711
<b>Other Loans &amp; Advances :</b>		
i) Advances	10,409,250	10,509,250
ii) Tax Deducted at Source	122,909	243,730
	10,532,159	10,752,980
<b>Total</b>	<b>14,866,814</b>	<b>14,635,691</b>

1. Loans and Advances are unsecured and those considered doubtful have been fully provided for.

2. Provisioning is done as per the prudential norms prescribed by the Reserve Bank of India.

3. Advances include ₹ 54,09,250/- towards Property advance

### Note 9 : Current Investment

(Amount in ₹)

Particulars	31.03.2012	31.03.2011
Investment in Equity (Refer Note No. 9A)	20,431,065	18,566,273
Others	-	-
<b>Total</b>	<b>20,431,065</b>	<b>18,566,273</b>

# Arihant's Securities Limited



## NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2012

### Note 9A Investment in Equity

(Amount in ₹)

No. of Shares	Shares and Securities	2012	2011
<b>QUOTED EQUITY SHARES :</b>			
500	AHMAD FORGE	16,500	16,500
5000	ALK SECURITIES	4,900	4,900
600	ALPHAGEO	34,200	-
25	ARIH FOUND	1,601	1,601
3100	ARVIND MILLS	41,540	41,540
750	AURUM SOFT SYS LTD.	885	885
613	BAFNA PHARMACEUTICALS LTD	28,250	-
400	BF INVESTMENTS LTD	17,200	-
400	BF UTILITIES	128,120	128,120
2	BODAL CHEMICALS LTD	100	-
2500	BPL LTD	40,100	40,100
1800	CEREBRA INTEGRATED TECH LTD	70,030	-
5343	CLARIANT CHEM	1,051,502	1,051,502
15500	COMFORT INC	41,420	41,420
170	DATANET SYSTEM	34,681	34,681
1000	DEEPAK FERT	56,600	56,600
516	DION GLOBAL SOLUTIONS LTD	1,346	1,346
6000	DISHTV	232,880	232,880
23643	DR. AGARWAL EYE	353,294	1,500,000
500	EASUN REYROLLE	22,425	22,425
1000	EDL	47,350	47,350
2300	ENCHANTE JEWEL	8,510	8,510
600	ESSAR (INDIA) LTD	6,447	-
2220	ESSAR SHIPPING	52,920	52,920
25000	EVEREADY	445,000	445,000
2800	FACT ENT	28,000	28,000
6000	GEECEE VENTURES LTD.	249,600	249,600
19500	GOLDINFRA	284,310	284,310
30000	GOLDSTONE TECHNOLOGIES	406,500	1,097,550
1000	GRAPHITE INDIA	42,827	42,827
280	GUJARAT NRE COKE NEW PP	3,710	-
250	GUJRAT BOROSIL	1,752	1,752
952	GUJRAT MINERAL	37,746	37,746
2800	GUJRAT NRE COKE	74,620	-
1000	GULFOILCORP	27,050	27,050
5400	HILLOCK AGRO	5,400	5,400
15000	HIMACHAL FUTURISTICS	190,100	190,100
2450	INDIA BULLS	220,745	220,745
3600	INDO ASIAN FIN	17,790	17,790
1000	INDO BONITO MULTINATIONAL LTD.	7,050	7,050
500	INDRAPRASTHA GAS	13,975	13,975
25000	INDUSIND BANK	807,500	807,500
22063	INFO DRIVE	516,688	484,522
500	INVICTA MEDITEK LTD.	2,745	2,745
1000	ISMT	20,050	20,050
400	JAGRAN PRAKASHAN	39,420	-
750	JAIPRAKASH ASSOCIATES	59,325	-
1000	KALYANI STEEL	80,790	80,790
200	KANISHK STEEL	2,856	2,856
2500	KCP	28,913	28,913
1500	KHODAY INDIA	36,750	36,750
1500	KIRL FERE IN	16,485	16,485
30000	KOTHARI SUGAR	153,000	153,000
8000	KREON FINANCIAL	14,000	14,000
2100	KUMBHAT FINANCE	2,100	2,100
26000	LE WATERINA RESORTS & HOTEL LTD	3,810	-
3200	LOKESH MACHINES LTD.	63,680	63,680
150	LUMAX AUTO	2,550	2,550
2100	MANSI FINANCE	11,571	11,571
1250	MAWANA SUGARS	20,437	20,437
2500	MIDAS PHARMA	25,000	25,000
1400	MIDDAY	16,534	16,534
100	MONEY MATTER	7,979	7,979
1000	MRPL	41,050	41,050
86500	M S INVESTMENTS	178,500	-
5000	MUNDRAPORT	323,200	323,200
100	MUNOTH FINANCIAL	583	583
52500	NATIONAL PLASTIC ( ARHAM )	371,700	371,700
1000	NECTAR LIFESCIENCE	11,260	11,260
1000	NILE LTD	44,350	44,350
155	NITCO	3,642	3,642
100	NOIDATOLL	4,438	4,438



# Arihant's Securities Limited



269450	PEETI SECURITIES	269,450	269,450
3000	PIPAVAV SHIPYARD LTD	178,440	178,440
7370	PONDY OXIDES	82,838	82,838
1010	PRATIBHA IND	15,898	15,898
3000	PRESSURE SENSITIVE	5,730	5,730
200	PRIME SECU	2,510	-
500	PSL HOLDINGS	43,325	43,325
10	PANJAB NATIOANL BANK	10,895	-
9300	RAJESWARI FOUNDATION	73,470	73,470
54	RANBAXY	8,943	8,942
4028	RDB INDUSTRIES	180,857	180,857
4028	RDB RTEALTY & INF	96,672	-
1477	REFEX REFRI	21,195	21,195
750	RELIANCE INDUSTRIES	475,750	475,750
7	RELIANCE POWER LTD	15,250	15,250
36	REMI METALS	253	253
14900	RISHAB FINANCIAL	35,760	35,760
3339	R SYSTEMS	163,611	163,611
45000	SABERORGAN	-	568,800
600	SAIL	54,510	54,510
1000	SAKTHI SUGAR	22,800	22,800
1	SATYAM COMPUTERS	100	100
1500	SHASHUN CHEM	18,825	18,825
800	SHREE GANESH FORGING	6,592	6,592
40000	SILICON VALLEY	10,000	-
1911	SOLAR EXPLOSIVES	293,899	293,899
200	SPANCO TELE	5,570	5,570
1000	SPARC	82,130	82,130
3988	SPARSH BPO	91,325	91,325
5500	SPICEJET	132,465	6,735
500	SPML INFRA LTD.	23,300	23,300
300	SQL STAR	2,205	2,205
9500	STERLING HOLIDAY	267,900	267,900
4400	STL GLOBAL	880	880
1000	STONE INDIA LTD	40,608	40,608
0	SUBHKAM CAPITAL LTD	20	-
2308	SUN TV	384,397	384,397
1000	TANTIA CONS	32,500	32,500
300	THAMBI MODERN	1,380	1,380
1200	TINPLATE INDIA LTD	36,000	36,000
25200	TOP TELEMEDIA	25,200	25,200
10000	TOURISM FINANCE	135,500	135,500
1600	TYROON TEA	22,400	22,400
5000	UNIPLY	23,150	23,150
1000	USHAMART	27,400	27,400
500	VIDEOIND	43,625	43,625
500	VIJAY SHANTI	5,980	5,980
9500	WELL PACK PA	89,110	89,110
1200	YARN SYNDICATE	3,540	-
	OTHERS	235,028	760,825
<b>971,969</b>	<b>TOTAL</b>	<b>11,059,065</b>	<b>13,194,273</b>
	<b>Market Value</b>	<b>33,371,015</b>	<b>35,617,091</b>
	<b>UNQUOTED EQUITY SHARES</b>		
130000	ASL CAPITAL HOLDINGS P LIMITED	5,372,000	1,372,000
200000	CEE TV ENTERTAINMENT LIMITED	2,000,000	2,000,000
200000	RAJ FINLEASE LIMITED	2,000,000	2,000,000
<b>530,000</b>	<b>TOTAL</b>	<b>9,372,000</b>	<b>5,372,000</b>
	<b>GRAND TOTAL</b>	<b>20,431,065</b>	<b>18,566,273</b>

## Arihant's Securities Limited



### Notes to and forming part of Balance Sheet as at 31<sup>st</sup> March 2012

#### Note 10 : Trade Receivables (Amount in ₹)

Particulars	31.03.2012	31.03.2011
Unsecured, Considered Good	11,801,421	-
<b>Total</b>	<b>11,801,421</b>	<b>-</b>

#### Note 11 : Cash & Cash Equivalent (Amount in ₹)

Particulars	31.03.2012	31.03.2011
Bank Balance	86,170	714,497
<b>Total</b>	<b>86,170</b>	<b>714,497</b>

The Company maintains Nil Cash balance

#### Note 12 : Short Term Loans and Advances (Amount in ₹)

Particulars	31.03.2012	31.03.2011
Others *	59,593	-
<b>Total</b>	<b>59,593</b>	<b>-</b>

\* Others represents current year Tax deducted at Source

### Notes to and forming part of Profit and Loss Account as at 31<sup>st</sup> March 2012

#### Note 13 : Revenue from Operation (Amount in ₹)

Particulars	31.03.2012	31.03.2011
Interest Income	595,926	474,852
Income from Share Trading - share segment	12,570,012	195,867
Dividend Income	619,547	528,986
Income from Commodities Trading	-	26,570
Loss from Futures, Options	-	(282,746)
<b>Total</b>	<b>13,785,485</b>	<b>943,529</b>

1. Interest income earned by the Loan Segment is recorded on accrual basis.

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

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

#### Note 14 : Other Income (Amount in ₹)

Particulars	31.03.2012	31.03.2011
Other Income	12,200	8,947
<b>Total</b>	<b>12,200</b>	<b>8,947</b>

Other Income represents ₹ 12,200/- interest on Income Tax refund received from the Income Tax Department for the Assessment Year 2010-11

#### Note 15 : Employment Benefit Expenses (Amount in ₹)

Particulars	31.03.2012	31.03.2011
Salaries Paid	102,779	168,022
<b>Total</b>	<b>102,779</b>	<b>168,022</b>

## Arihant's Securities Limited



### Notes to and forming part of Profit and Loss Account as at 31<sup>st</sup> March 2012

#### Note 16 : Other Operating Expenses

(Amount in ₹)

Particulars	31.03.2012	31.03.2011
Advertisement Expense	37,875	36,000
Audit Fees	35,000	35,000
Printing and Stationery	18,000	18,000
Share Segment Expenses	35,107	44,408
Subscription	32,574	49,215
Legal & Professional fees	-	37,885
Miscellaneous Expense	46,452	71,404
<b>Total (A + B)</b>	<b>205,008</b>	<b>291,912</b>
<b>Auditor Remuneration</b>		
Auditor's Fees	20,000	20,000
Certificate Fees	15,000	15,000
<b>Total</b>	<b>35,000</b>	<b>35,000</b>

17. There is no Earning and Expenditure in Foreign Currency during the year

18. Contingencies and Events after the Balance Sheet Date :

According to the information and explanations given to us, there are no Contingencies and Events after the Balance sheet date that require disclosure according to the Accounting Standard 4 on "Contingencies and Events Occurring after the Balance Sheet Date"

19. According to the information and explanations given to us, no impairment of assets is necessary.

20. Related Party Disclosure

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

Name of Party	Nature of Relationship
ASL Capital Holding private Limited	Associate
Ravikant Choudhry	Chairman - Key Management Personnel
Nishikant Choudhry	Managing Director - Key Management Personnel

#### List of related party transactions during the year

(Amount in ₹)

Transactions	Associate	KMP
1. Purchases	27,280,953	-
2. Sales	30,175,577	-
3. Balance as on 31.03.2012	11,801,421(Dr.)	-
4. Bad Debts	-	-

#### 21. Earnings per Share

(Amount in ₹)

Particulars	31.03.2012	31.03.2011
a. Profit / (Loss) for the year	11,031,438	487,302
b. No. Of Equity Shares of Face Value of ₹10/- Outstanding	5,000,000	5,000,000
c. Basic and Diluted Earnings per share (a/b)	<b>2.21</b>	<b>0.10</b>

22. There are no loans and advances / Investments in its own shares by the company , their subsidiaries , associates, etc.,

There are no loans and advances in the nature of loans where there is no repayment schedule or repayment beyond seven years

# Arihant's Securities Limited



Notes to and forming part of Balance Sheet as at 31<sup>st</sup> March 2012

Note 23 : REPORTING OF SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED AS PER CLAUSE 41 OF THE LISTING AGREEMENT

(Amount in ₹)

Sl. No.	Particulars	Audited	
		Year ended 31.03.12	Year ended 31.03.11
<b>1</b>	<b>Segment Revenue</b>		
	a. Loans	595,926	474,852
	b. Trading of Shares	13,189,559	468,677
	c. Others	12,200	8,947
	<b>Total</b>	<b>13,797,685</b>	<b>952,476</b>
	Less: Intersegment revenue	-	-
	<b>Net Sales / Income from Operations</b>	<b>13,797,685</b>	<b>952,476</b>
<b>2</b>	<b>Segment Results</b>		
	Profit(+)/Loss(-) before Tax and Interest from each segment		
	a. Loans	595,926	474,852
	b. Trading of Shares	13,189,559	423,125
	c. Others	12,200	8,947
	<b>Total</b>	<b>13,797,685</b>	<b>906,924</b>
	Less:(i) Interest	-	-
	(ii) Other Unallocable expenditure net of Unallocable Income	315,247	415,204
	<b>Total Profit before Tax</b>	<b>13,482,438</b>	<b>491,720</b>
<b>3</b>	<b>Capital Employed</b>		
	(Segment Assets - Segment Liabilities)		
	a. Loans	4,334,655	3,882,711
	b. Trading of Shares	20,431,065	18,669,273
	c. Others	-	-
	<b>Total</b>	<b>24,765,719</b>	<b>22,551,984</b>

## NOTES:

- The above audited financial results were taken on record at the Board Meeting of the Company held on 03.09.2012
- Status of Investor Complaints for the quarter ended 31.03.2012

Number of Complaints			
Pending As At 01.01.2012	Received during the quarter	Disposed during the quarter	Pending As At 31.03.2012
Nil	Nil	Nil	Nil

**Note 24 :** The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

**Sd/-**  
**RAVIKANT CHOUDHRY**  
Chairman & Director

**Sd/-**  
**NISHIKANTH CHOUDHARY**  
Managing Director

Place: Chennai  
Date: 03.09.2012

# Arihant's Securities Limited



## Notes to and forming part of Balance Sheet as at 31<sup>st</sup> March 2012

**Note 25 :** As required in terms of paragraph 13 of Non Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

SNo. Particulars	Amount outstanding	Amount overdue
	₹	₹
<b>Liabilities Side :</b>		
<b>(1) Loans and Advances availed by the Non-banking financial company inclusive of interest accrued thereon but not paid :</b>		
a) Debentures : Secured	-	-
Unsecured	-	-
(Other than falling within the meaning of public deposits*)		
b) Deferred Credits	-	-
c) Term Loans	-	-
d) Inter-Corporate loans and borrowings	-	-
e) Commercial Paper	-	-
f) Other loans (specify nature)	-	-
* Please see Note 1 below		
<b>Assets side :</b>		
<b>(2) Break-up of Loans and Advances including bills receivables [Other than those included in (4) below] :</b>	Amount outstanding	
	₹	
a. Secured	-	
b. Unsecured	4,334,655	
<b>(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities</b>		
i. Lease assets including lease rentals under debtors:		
(a) Financial Lease	-	
(b) Operating Lease	-	
ii. Stock on hire including hire charges under debtors:		
(a) Assets on hire	-	
(b) Repossessed Assets	-	
iii. Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed	-	
(b) Loans other than (a) above	-	
<b>(4) Break-up of Investments:</b>		
<b>Current Investments</b>		
1. Quoted		
i. Shares (a) Equity	11,059,065	
(b) Preference	-	
ii. Debentures and Bonds	-	
iii. Units of mutual funds	-	
iv. Government Securities	-	
v. Others (please specify)	-	
2. Unquoted		
i. Shares (a) Equity	9,372,000	
(b) Preference	-	
ii. Debentures and Bonds	-	
iii. Units of mutual funds	-	
iv. Government Securities	-	
v. Others (please specify)	-	
<b>Long term investments:</b>		
1. Quoted		
i. Shares (a) Equity	-	
(b) Preference	-	
ii. Debentures and Bonds	-	
iii. Units of mutual funds	-	
iv. Government Securities	-	
v. Others (please specify)	-	

## Arihant's Securities Limited



2.	Unquoted	
i.	Shares (a) Equity	-
	(b) Preference	-
ii.	Debentures and Bonds	-
iii.	Units of mutual funds	-
iv.	Government Securities	-
v.	Others - Land at Sriperumbudur	900,000

**(5) Borrower group-wise classification of assets financed as in (2) and (3) above : Please see Note 2 below**

Category	Secured	Amount net of provisions unsecured	Total
1. Related Parties**			
a. Subsidiaries	-	-	-
b. Companies in the same group	-	-	-
c. Other related parties	-	-	-
2. Other than related parties	-	-	-
<b>Total</b>	-	-	-

**(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) : Please see Note 3 below**

Category	Market Value /Break up or Fair Value or NAV	Book Value (Net of Prov)
1. Related Parties**		
a. Subsidiaries	-	-
b. Companies in the same group	-	-
c. Other related parties	5,372,000	5,372,000
2. Other than related parties	37,371,015	15,059,065
<b>Total</b>	<b>42,743,015</b>	<b>20,431,065</b>

\*\* As per Accounting Standard of ICAI (Please see Note 3)

**(7) Other Information**

Particulars	Amount
i. Gross Non-Performing Assets	
a. Related Parties	-
b. Other than Related Parties	1,280,194
ii. Net-Non Performing Assets	
a. Related Parties	-
b. Other than Related Parties	-
iii. Assets acquired in satisfaction of debt	-

**Notes**

- As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/Net Asset Value in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (4) above.

"As per our Report Attached"

For **N.R. KRISHNAMOORTHY & CO.,**  
Chartered Accountants.

FRN : 001492S

Sd/-

**N.R. KRISHNAMOORTHY,**  
Partner

Membership No. : 020638  
Chennai, 03.09.2012

For and on behalf of the Board of Directors

Sd/-  
**RAVIKANT CHOUDHRY**  
Chairman & Director

Sd/-  
**NISHIKANTH CHOUDHARY**  
Managing Director



**ARIHANT'S SECURITIES LTD.**

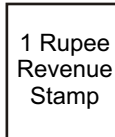
Registered Office : No.138, Dr.Radhakrishnan Salai, Mylapore, Chennai - 600004.

**PROXY FORM**

I/We .....  
of .....  
being member(s) of Arihant's Securities Ltd. hereby appoint .....  
of ..... or  
failing him / her ..... as  
my/our proxy to attend and vote for me/us on my/our behalf at the Eighteenth Annual General Meeting of the  
Company to be held on Friday, November 30th, 2012 at 9.30 a.m. at the Registered Office of the Company  
at No. 138, Dr. Radhakrishnan Salai, Mylapore, Chennai - 600004, and /or any adjournment thereof.

Signed this ..... day of .....2012

Signature .....



NOTE: The Proxy Form duly filled in and signed by the Share Holder should reach the Company at its  
Registered Office not later than 48 hours before the time of the meeting.

----- Cut Here -----

**ARIHANT'S SECURITIES LTD.**

Registered Office : No.138,Dr.Radhakrishnan Salai, Mylapore, Chennai - 600004.

**ATTENDANCE SLIP**

PARTICULARS TO BE FILLED IN BY THE MEMBER:

Name of the Member .....  
Member's Register Folio No. ....No. of Shares held.....  
Name of the Proxy if attending for member .....

I hereby record my presence at the Eighteenth Annual General Meeting held on Friday, November 30th,  
2012 at 9.30 a.m. at the Registered Office of the Company at No.138, Dr. Radhakrishnan Salai, Mylapore,  
Chennai - 600004.

Note : 1. Please sign the Attendance Slip and hand over at the Reception.  
2. Please carry your copy of the Annual Report at the Meeting.

Signature of Member / Proxy

**Book - Post**

---

*If undelivered Please return to :*

**Arihant's Securities Limited**

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