

*Nineteenth Annual Report*

*2012-2013*



**Arihant's Securities Limited**

## Arihant's Securities Limited

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- Board of Directors** : 1. Ravikant Choudhry, Chairman  
2. Nishikanth Mohanlal Choudhary, Managing Director  
3. Ajitkumar Chordia, Director  
4. Subhash Chand Nahar, Director (Upto 10.06.2013)
- 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 Nineteenth 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 Monday, 30<sup>th</sup> September, 2013 at 9.30 A.M. to transact the following business:

### ORDINARY BUSINESS:

1. To receive consider and adopt the Audited Balance Sheet as at 31.03.2013, the Profit & Loss account for the period from 01.04.2012 to 31.03.2013 and to consider the reports of the Directors and Auditors thereon.
2. To appoint a director in place of Shri Ajitkumar Chordia, Director who retires by rotation and being eligible offers himself for reappointment.
3. To appoint M/s. N.R. Krishnamoorthy & Co., Chartered Accountants, Chennai 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.

### Registered Office

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

Date : 05.09.2013

### BY ORDER OF THE BOARD

For **ARIHANT'S SECURITIES LIMITED**

Sd/-

**Ravikant Choudhry**  
(Chairman & Director)

### NOTES:

1. 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.
2. A PROXY FORM IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT LEAST 48 HOURS BEFORE THE GENERAL MEETING AT THE REGISTERED OFFICE OF THE COMPANY.
3. THE REGISTER OF MEMBERS AND THE SHARE TRANSFER BOOKS OF THE COMPANY WILL REMAIN CLOSED FROM MONDAY, 23<sup>RD</sup> SEPTEMBER, 2013 TO MONDAY, 30<sup>TH</sup> SEPTEMBER, 2013 (BOTH DAYS INCLUSIVE) IN CONNECTION WITH THE ANNUAL GENERAL MEETING.
4. 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.
5. MEMBERS/ PROXIES SHOULD CARRY THE ATTENDANCE SLIP DULY FILLED IN WHILE COMING TO ATTEND THE MEETING AS ALSO COPY OF THEIR ANNUAL REPORT.
6. MEMBERS ARE REQUESTED TO CONVERT THEIR SHAREHOLDINGS IN THE COMPANY INTO DEMAT FORM.
7. MEMBERS HOLDING THE EQUITY SHARES UNDER MULTIPLE FOLIOS IN THE IDENTICAL ORDER OF NAMES ARE REQUESTED TO CONSOLIDATE THEIR HOLDINGS INTO ONE FOLIO.
8. REAPPOINTMENT OF DIRECTORS

At the ensuing Annual General Meeting Shri Ajitkumar Chordia, 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

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Profile of Directors retiring by rotation:

Shri Ajit Kumar Chordia B.E. (Mechanical) aged about 48 years is a well known business man with deep rooted knowledge, expertise and experience in the field of business management, automobiles, real estate development, finance, investment and corporate laws.

Shri Ajit Kumar Chordia who joined the company on 29<sup>th</sup> June, 1995 as a Non-Executive Independent Director has contributed in various ways by bringing external and wider perspective to the decision making thereby contributing towards improving the efficiency of the company. He is the Chairman of the Audit Committee and Member of the Remuneration Committee and Shareholders/ Investors Grievance Committee of the Board of Directors of the Company. He holds NIL Equity Shares in the company.

The Other Directorships of Shri Ajit Kumar Chordia are:

1. Castle Traders Limited, Director
2. Khivraj Holdings Private Limited, Director
3. Khivraj Estates Private Limited, Director
4. Khivraj Automobiles and Infrastructure Private Limited, Director
5. Khivraj Tech Park Private Limited, Managing Director
6. Khivraj Infratech Private Limited, Managing Director
7. ABN Infratech Private Limited, Director
8. Olympia Infratech Private Limited, Managing Director
9. Southern India Rajasthani Chamber Of Commerce & Industry, Director
10. Khivraj Housing Private Limited, Director
11. ABN Housing Private Limited, Director
12. ABN Estates Housing Private Limited, Director (upto 10.06.2013)
13. Khivraj Vahan Private Limited, Director
14. Olympia IT Park Developers Private Limited, Director
15. Olympia Real Estate Chennai Private Limited, Director
16. TAPP Semiconductor India Private Limited, Director
17. TAPP Chennai Holdings Private Limited, Director
18. Opaline Hotels Private Limited, Director
19. Olympia Hotels Private Limited, Director
20. Olympia Merlin Developers Private Limited, Director
21. National Plastic Technologies Limited, Director
22. KSM Nirman Private Limited, Director
23. Space Olympia Properties Private Limited, Director
24. Olympia Tech Park (Chennai) Private Limited, Director

Other Committee Memberships are 2 (TWO).

Chennai

Dated : 5<sup>th</sup> September, 2013

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

Sd/

**Ravikant Choudhry**  
(Chairman & Director)



## DIRECTORS REPORT

Your Directors are happy to present the Nineteenth Annual Report of your company together with the Audited Accounts of the Company for the financial year ended 31<sup>st</sup> March 2013.

### FINANCIAL HIGHLIGHTS:

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

(Amount in ₹)

Particulars	31.03.2013	31.03.2012
<b>Revenue from Operations</b>	<b>10,29,228</b>	<b>1,37,85,485</b>
<b>Other Income</b>	<b>4,69,600</b>	<b>12,200</b>
<b>Profit / (Loss) before Financial costs, Depreciation and Amortisation Expense, Exceptional and Extraordinary Items and Tax</b>	<b>8,77,347</b>	<b>1,34,89,897</b>
Less: Financial Costs	270	770
<b>Profit / (Loss) before Depreciation and Amortisation Expense, Exceptional and Extraordinary Items and Tax</b>	<b>8,77,077</b>	<b>1,34,89,127</b>
Less: Depreciation and Amortisation Expense	2,954	6,689
<b>Profit / (Loss) before Exceptional and Extraordinary Items and Tax</b>	<b>8,74,123</b>	<b>1,34,82,438</b>
Less: Exceptional and Extraordinary Items	0	0
<b>Profit / (Loss) before Tax</b>	<b>8,74,123</b>	<b>1,34,82,438</b>
Less: Current Tax	1,25,205	24,52,859
Deferred Tax	(750)	(1,859)
<b>Profit/ (Loss) from the period from continuing operations</b>	<b>7,49,668</b>	<b>1,10,31,438</b>
<b>Profit/ (Loss) from Discontinuing operations</b>	<b>0</b>	<b>0</b>
<b>Profit/(Loss) for the period</b>	<b>7,49,668</b>	<b>1,10,31,438</b>
<b>Earning per Equity Share (Amount in ₹)</b>		
a) Basic	0.15	2.21
b) Diluted	0.15	2.21

### 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 2013-2014 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 year 2012-2013 was indeed very tough and challenging for the capital markets and Domestic and global economic headwinds continued. This had its impact on the investor sentiments and activity levels in the market, making it challenging for the company. Primary market activity was sluggish as a number of corporates delayed their fund raising plans. Domestic institutions have largely been sellers in Indian equities and domestic retail investors continued to shy away from equities as an asset class. Secondary market volumes continued to reach highs but largely owing to low-yield option segment. Cash equities volumes continued to remain depressed. The year witnessed moderation in WPI inflation and rate cut expectations.

### **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 ₹ 7,49,668/- as against a profit of ₹ 1,10,31,438/- 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 2013.

## **DIRECTORS**

Shri Ajitkumar Chordia, Director of the company retires by rotation at the ensuing Annual General Meeting of the Company and being eligible offers himself for reappointment.

## Arihant's Securities Limited

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Shri 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 which was approved by the members in the Annual General Meeting held on 30<sup>th</sup> November, 2012 by way of an ordinary resolution. Shri Subhash Chand Nahar has resigned as director of the Company w.e.f. 10.06.2013 due to personal reasons. The board places on record their sincere and deep appreciation for valuable services rendered to the company.

### **AUDITORS:**

M/s. 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 2012-2013.

A brief resume of each of the directors who are to be re-appointed at this AGM 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.

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# Arihant's Securities Limited

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## 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, 2013 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> September, 2013





## 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 Limited 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 as on 31<sup>st</sup> March, 2013, 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, 2013 are as under:

## Arihant's Securities Limited



Name	Designation	Category	No. of Board Meetings attended during 2012-2013 out of Sixteen	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	Sixteen	Yes	1	2
Nishikanth Choudhary	Managing Director	Executive	Sixteen	Yes	Nil	Nil
Ajit Kumar Chordia	Director	Non-Executive & Independent	Sixteen	Yes	2	2
**Subhash Chand Nahar	Director	Non - Executive	Sixteen	Yes	Nil	Nil

\*\* Resigned w.e.f. 10.06.2013.

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, 2013 **Sixteen** Board meetings were held i.e. on **2<sup>nd</sup> April, 2012, 13<sup>th</sup> April, 2012, 26<sup>th</sup> April, 2012, 15<sup>th</sup> May, 2012, 30<sup>th</sup> June, 2012, 14<sup>th</sup> July, 2012, 14<sup>th</sup> August, 2012, 3<sup>rd</sup> September, 2012, 6<sup>th</sup> September, 2012, 15<sup>th</sup> October, 2012, 5<sup>th</sup> November, 2012, 14<sup>th</sup> November, 2012, 30<sup>th</sup> November, 2012, 15<sup>th</sup> January, 2013, 14<sup>th</sup> February, 2013 and 30<sup>th</sup> March, 2013. The gap between two Board meetings did not exceed four months. All directors have attended all the Sixteen meetings and have attended the last AGM held on **30.11.2012**.**

### 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, 2013.

**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 6 (six) times during the year ended 31<sup>st</sup> March, 2013 i.e. on

**14<sup>th</sup> April, 2012, 15<sup>th</sup> May, 2012, 14<sup>th</sup> August, 2012, 3<sup>rd</sup> September 2012, 14<sup>th</sup> November, 2012 AND 14<sup>th</sup> February, 2013.**

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, 2013. And all the directors have attended all the six 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

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**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, 2012**

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, 2013 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

**15<sup>th</sup> May, 2012, 14<sup>th</sup> August, 2012, 14<sup>th</sup> November, 2012 AND 14<sup>th</sup> February, 2013.**

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

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

MS. REVATHY RAGHAVAN, 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	0	0	0

No Investors grievances remained unattended/ pending for more than 30 days as on 31<sup>st</sup> March, 2013.

### 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 2012	30.11.2012**	138, Dr. Radhakrishnan Salai, Mylapore, Chennai-600 004.	9.30 A.M.	No
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

\*\* The Company had 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.

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, 2013. 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 : **19<sup>th</sup> AGM**  
Date : **30<sup>th</sup> September, 2013**  
Day : **MONDAY**  
Time : **9.30 A.M.**  
Venue : **138, Dr. Radhakrishnan Salai, Mylapore, Chennai - 600 004.**  
Financial year : **1<sup>st</sup> April, 2012 to 31<sup>st</sup> March, 2013**  
Book Closure date : **MONDAY, 23<sup>rd</sup> September, 2013 TO MONDAY, 30<sup>th</sup> September, 2013**  
**(BOTH DAYS INCLUSIVE)**  
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 2013-2014

### 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, 2013. 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 Limited	531017	531017
Madras Stock Exchange Limited	ARIHTSECU	ARIHTSECU

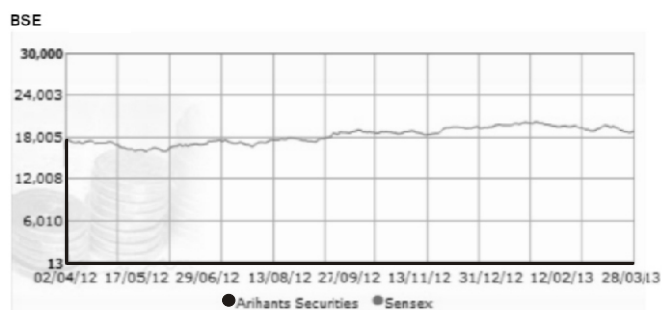
### Market Price Data :

High, low (based on the closing prices) and number of shares traded during each month in the financial year 2012-2013 on the Bombay Stock Exchange Limited

BOMBAY STOCK EXCHANGE LIMITED			
Month	High (Rs)	Low (Rs)	Total Number of Shares Traded
April - 2012	17.30	15.90	300
June - 2012	18.95	16.45	17
July - 2012	18.50	16.75	8
August - 2012	18.35	16.70	54
September - 2012	20.15	19.20	160
October - 2012	19.15	19.15	1
November - 2012	20.00	19.05	25
December - 2012	18.75	17.00	226
January - 2013	20.50	19.65	20
February - 2013	19.50	18.55	26
March - 2013	17.65	14.50	7

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

Historic Graphs



### Historic Graph 01-04-2012 to 31-03-2013

(For selected period)	<b>BSE</b>
<b>High</b>	20.50
<b>Low</b>	14.50





## 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, 2013

Category	No. Of 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	961497	19.2299
b) Indian Public	1885752	37.7150
c) NRIs	31250	0.6250
d) Any other (Please Specify)		
Clearing Members	1	0.0000
Hindu Undivided Families	6900	0.1380
<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 30.03.2013

No. of Equity Shares Held	No. of Share Holders	%	No. of Shares	%
10 - 5000	1725	79.2738	264361	5.2872
5001 - 10000	178	8.1801	147994	2.9598
10001 - 20000	110	5.0551	162793	3.2558
20001 - 30000	82	3.7683	205400	4.1080
30001 - 40000	15	0.6893	52500	1.0500
40001 - 50000	13	0.5974	63100	1.2620
50001 - 100000	21	0.9650	180300	3.6060
100001 & above	32	1.4705	3923552	78.4710
Total	2176	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 30<sup>th</sup> March, 2013 the details of shares in demat mode and in physical mode are as under :

**No. of shares in Physical mode : 2554767 (51.0953%)**

**No. of shares in dematerialized mode : 2445233 (48.9047%)**

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

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

#### RECONCILIATION OF SHARE CAPITAL AUDIT :

As stipulated by SEBI, a qualified practicing Company Secretary carries out Reconciliation of Share Capital 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 : Ms. Revathy Raghavan

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 :05.09.2013

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, 2013, 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 : 05.09.2013

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, 2013. 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, 2013 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 : 05.09.2013  
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 2012-13 - 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 31.3.2013 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 : 05.09.2013**  
**Place : Chennai**

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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.

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

We have audited the accompanying financial statements of **M/s. Arihant's Securities Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2013, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of the Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2013;
- ii. in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 (the 'Order') issued by the Central Government of India in terms of sub - section (4A) of Section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by Section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books.
  - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
  - e. On the basis of written representations received from the Directors as on March 31, 2013, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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

Place: Chennai  
Date: 30.05.2013



## ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 of our report of even date under the caption "Report on Other Legal and Regulatory Requirements")

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us the fixed assets have been physically verified by the Management, which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. As explained to us no material discrepancies have come to the notice on such physical verification.
- (c) The company has not disposed off any fixed assets during the year so as to affect its going concern status.
- (ii) (a) As explained 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.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) 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.
- (iii) (a) 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.
- (b) 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.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for purchases of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination and according to the information and explanation given to us, we have neither come across nor have been informed of any instance of major weakness in the aforesaid internal control system.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered into the Register maintained under the said Section have been entered in the said Register.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements referred to in (a) above and exceeding the value of rupees five lakhs with any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits during the year from the public within the meaning of the provisions of Section 58A and 58AA of the Companies Act, 1956 or any other relevant provisions of the Act and the rules made thereunder.
- (vii) In our opinion, the Company has an internal audit system, commensurate with the size and nature of business.
- (viii) The Company has not been required by the Central Government to maintain cost records under section 209 (1) (d) of the Companies Act, 1956.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Tax deducted at source, Excise Duty, Customs Duty, Employees State Insurance Fund, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of above were in arrears, as at 31<sup>st</sup> March 2013 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Provident Fund, Tax deducted at source, Excise Duty, Service Tax, Customs Duty, Employees State Insurance Fund and Cess which have not been deposited with appropriate authorities on account of any dispute.
- (x) 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.
- (xi) In our opinion and according to the information and explanations given to us, the company has no outstanding dues to a financial institution / bank.
- (xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) 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 Order are not applicable to the Company.
- (xiv) 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.
- (xv) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks and financial institutions.
- (xvi) The Company has not taken any Term Loan during the year. Hence the provision of clause 4 (xvi) of the Order is not applicable to the Company.
- (xvii) The Company has not raised funds on short term basis during the year and hence the provisions of clause 4 (xvii) of the Order are not applicable to the Company.
- (xviii) The Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year.
- (xix) No debentures have been issued by the Company during the year. Hence the provisions of clause 4 (xix) of the Order are not applicable to the Company.
- (xx) During the year Company has not raised money by way of public issue. Hence the provisions of clause 4(xx) of the Order are not applicable to the Company.
- (xxi) During the course of our examination of the books of account, we have neither come across any instance of fraud on or by the Company, either noticed or reported during the year, nor have we been informed of any such case by the Management.

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

Place: Chennai  
Date: 30.05.2013

## Arihant's Securities Limited

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To  
The Board of Directors,  
Arihant 's Securities Ltd

1. We have audited the accompanying financial statements of **M/s. Arihant's Securities Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2013, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information and issued our Audit opinion dated 30<sup>th</sup> May, 2013 thereon. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit. Our Audit was conducted in the manner specified in paragraph 2 of the Audit Report.
2. As required by the "Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008", issued by the Reserve Bank of India ("the Bank" or RBI) and amended from time to time ("the Directions"), and based on our audit referred to in paragraph 1 above and based on the information and explanations given to us which to the best of our knowledge and belief were necessary for this purpose, we report hereunder on the matters specified in paragraph 3 of the Directions:
  - a. The Company is engaged in the business of Non-Banking Financial Institution ('NBF') as defined in section 45-I(a) of the Reserve Bank of India Act, 1934 ('the Act') during the year ended 31<sup>st</sup> March, 2013 and it has obtained Certificate of Registration No. : 07.00211 dated 1<sup>st</sup> April, 1998 from Reserve Bank of India;
  - b. Based on the asset/income pattern as on March 31, 2013 determined by the Management in accordance with the audited financial statements for the year ended as on that date, and with reference to paragraph 15 of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, the Company is entitled to continue to hold such Certificate of Registration;
  - c. Based on the criteria set forth by the Bank in Circular No. DNBS.PD. CC No. 85 / 03.02.089 /2006-07 dated December 6, 2006 for classification of NBFCs, the Company has been correctly classified as Investment Company as defined in Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998 with reference to the business carried on by it during the financial year ended March 31, 2013;
  - d. The Board of Directors in their meeting held on April 2, 2012 has passed a resolution for non-acceptance of any public deposits without prior approval of Reserve Bank of India in writing;
  - e. The Company has not accepted any public deposits during the year ended March 31, 2013;
  - f. The Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 for the year ended March 31, 2013;

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

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

Place : Chennai  
Date : 30.05.2013

# Arihant's Securities Limited



## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2013

Particulars	Note No.	As at 31.03.2013 ₹	As at 31.03.2012 ₹
<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	(8,762,446)	(9,512,114)
(c) Money received against share warrants			
<b>(2) Share application money pending allotment</b>			
		-	-
<b>(3) Current Liabilities</b>			
(a) Trade payables	3	7,438,385	6,739,900
(b) Short-term provisions	4	1,539,588	2,483,908
<b>Total</b>		<b>50,215,526</b>	<b>49,711,694</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
<b>(a) Fixed assets</b>			
Tangible assets	5	1,558,406	1,561,360
(b) Non-current investments	6	900,000	900,000
(c) Deferred tax assets (net)	7	6,020	5,270
(d) Long term loans and advances	8	15,270,259	14,866,815
<b>(2) Current assets</b>			
(a) Current investments	9	21,319,228	20,431,065
(b) Trade receivables	10	11,360,457	11,801,421
(c) Cash and cash equivalents	11	(255,160)	86,170
(d) Short-term loans and advances	12	56,317	59,593
<b>Total</b>		<b>50,215,526</b>	<b>49,711,694</b>

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

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

Sd/-

N.R. KRISHNAMOORTHY, Partner

Membership No. : 020638

Place: Chennai

Date: 30.05.2013

For and on behalf of the Board of Directors

Sd/-

Chairman & Director  
(RAVIKANT CHOUDHRY)

Sd/-

Managing Director  
(NISHIKANTH CHOUDHARY)



# Arihant's Securities Limited



## PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2013

Particulars	Note No.	As at March 31, 2013 ₹	As at March 31, 2012 ₹
I. Revenue from operations	13	1,029,228	13,785,485
II. Other Income	14	469,900	12,200
<b>III. Total Revenue (I +II)</b>		<b>1,499,128</b>	<b>13,797,685</b>
<i>IV. Expenses:</i>			
Employee benefit expense	15	238,833	102,779
Financial costs		270	770
Other operating expenses	16	382,948	205,008
Depreciation and amortization expense	5	2,954	6,689
<b>Total Expenses</b>		<b>625,005</b>	<b>315,247</b>
<b>V. Profit before exceptional and extraordinary items and tax (III - IV)</b>		<b>874,123</b>	<b>13,482,438</b>
VI. Exceptional Items		-	-
<b>VII. Profit before extraordinary items and tax (V - VI)</b>		<b>874,123</b>	<b>13,482,438</b>
VIII. Extraordinary Items		-	-
<b>IX. Profit before tax (VII - VIII)</b>		<b>874,123</b>	<b>13,482,438</b>
X. Tax expense:			
(1) Current tax		125,205	2,452,859
(2) Deferred tax		(750)	(1,859)
<b>XI. Profit(Loss) for the period from continuing operations (IX - X)</b>		<b>749,668</b>	<b>11,031,438</b>
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
<b>XV. Profit/(Loss) for the period (XI + XIV)</b>		<b>749,668</b>	<b>11,031,438</b>
XVI. Earning per equity share:			
(1) Basic		0.15	2.21
(2) Diluted		0.15	2.21

**Significant Accounting Policies and Notes on Accounts forming part of financial statements vide our report of even date**  
For N.R. KRISHNAMOORTHY & CO.,  
Chartered Accountants  
FRN : 001492S  
Sd/-  
N.R. KRISHNAMOORTHY, Partner  
Membership No. : 020638  
Place: Chennai  
Date: 30.05.2013

For and on behalf of the Board of Directors

Sd/-  
Chairman & Director  
(RAVIKANT CHOUDHRY)

Sd/-  
Managing Director  
(NISHIKANTH CHOUDHARY)



## CASH FLOW STATEMENT

	2012-13 ₹	2011-12 ₹
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and Extraordinary items	874,123	13,482,438
Adjustments for :		
Add : Provisions	-	-
Add : Depreciation	2,954	6,689
	877,077	13,489,127
Less : Other Income	-	-
Operating Profit before working capital changes	877,077	13,489,127
Adjustments for :		
Add : Decrease in Current Assets	444,240	-
	1,321,317	13,489,127
Add : Increase in Current Liabilities	698,485	17,496
	2,019,802	13,506,624
Less : Increase in Current Assets	1,291,608	13,956,929
	728,194	(450,305)
Less : Decrease in Current Liabilities	1,069,525	178,022
Cash generated from Operations	(341,331)	(628,327)
Add : Other Income	-	-
Net Cash from Operating Activities	(341,331)	(628,327)
<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>(341,331)</b>	<b>(628,327)</b>
Cash & Cash Equivalents as at 01.04.2012	86,170	714,497
Cash & Cash Equivalents as at 31.03.2013	(255,160)	86,170

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

Sd/-  
**N.R. KRISHNAMOORTHY,**  
 Partner  
 Membership No. : 020638  
 Chennai, 30.05.2013

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

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



## 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 2013

Note 1 : Share Capital

(Amount in ₹)

Particulars	31.03.2013	31.03.2012
<b>Authorised Capital</b>		
60,00,000 Equity Shares of ₹ 10/- each	60,000,000	60,000,000
	<b>60,000,000</b>	<b>60,000,000</b>
<b>Issued, Subscribed &amp; Paid Up Capital</b>		
50,00,000 Equity Shares of ₹ 10/- each, Fully Paid up	50,000,000	50,000,000
<b>Total</b>	<b>50,000,000</b>	<b>50,000,000</b>
<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	<b>5,000,000</b>	<b>5,000,000</b>

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

Name of Shareholder	No. of Share Holding	Percentage 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	31.03.2013	31.03.2012
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	(15,161,283)	(26,192,721)
Add : Profit/ (loss) during the year	749,668	11,031,438
Amount transferred to Reserve	(14,411,615)	(15,161,283)
<b>Total</b>	<b>(8,762,446)</b>	<b>(9,512,114)</b>

# Arihant's Securities Limited



## Notes to and forming part of Balance Sheet as at 31<sup>st</sup> March 2013

### Note 3 : Trade Payables

(Amount in ₹)

Particulars	31.03.2013	31.03.2012
Trade Creditors	7,438,385	6,739,900
<b>Total</b>	<b>7,438,385</b>	<b>6,739,900</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	31.03.2013	31.03.2012
<b>Provision From Employees Benefit</b>		
Provision for Salaries	114,000	10,000
<b>Others</b>		
Provision for taxation	1,405,588	2,453,908
Provision for Audit Fees	20,000	20,000
<b>Total</b>	<b>1,539,588</b>	<b>2,483,908</b>

### Note 5 : Fixed Assets

(Amount in ₹)

Description	Gross Block at cost			Depreciation			Net Block		
	As on 1.4.2012 ₹	Additions ₹	Deductions ₹	As on 31.03.2013 ₹	As on 1.4.2012 ₹	For the year ₹	As on 31.03.2013 ₹	As on 31.03.2013 ₹	As on 31.03.2012 ₹
Land	1,556,690	-	-	1,556,690	-	-	-	1,556,690	1,556,690
Computer	16,150	-	-	16,150	14,397	1,753	16,150	-	1,753
Motor Cycle	39,138	-	-	39,138	38,290	848	39,138	-	848
Office Equipments	7,438	-	-	7,438	5,369	3,53	5,722	1,716	2,069
<b>Total</b>	<b>1,619,416</b>	<b>-</b>	<b>-</b>	<b>1,619,416</b>	<b>58,056</b>	<b>2,954</b>	<b>61,010</b>	<b>1,558,406</b>	<b>1,561,360</b>
Previous Year	1,619,416	-	-	1,619,416	51,367	6,689	58,056	1,561,360	1,568,049

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	31.03.2013	31.03.2012
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 2013

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

(Amount in ₹)

Particulars	31.03.2013	31.03.2012
Deffered Tax Asset	6,020	5,270
<b>Total</b>	<b>6,020</b>	<b>5,270</b>

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

Particulars	31.03.2013	31.03.2012
Deferred Tax Asset :		
a. Provision for Investments / Non Performing Assets, etc.,	-	-
b. Income deferral on Non Performing Assets	-	-
c. Depreciation	750	1,859
d. Other Timing Differences	-	-
Defered Tax Liability		
a. Depreciation	-	-
b. Others	-	-
<b>Total</b>	<b>750</b>	<b>1,859</b>

### Note 8 : Long Term Loans and Advances

(Amount in ₹)

Particulars	31.03.2013	31.03.2012
<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	4,678,506	4,334,655
ii) Considered Doubtful	993,199	1,280,194
Less : Provision for Doubtful loans	993,199	1,280,194
	<u>4,678,506</u>	<u>4,334,655</u>
<b>Other Loans &amp; Advances :</b>		
i) Advances	10,409,250	10,409,250
ii) Tax Deducted at Source	182,503	122,910
	<u>10,591,753</u>	<u>10,532,160</u>
<b>Total</b>	<b>15,270,259</b>	<b>14,866,815</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	31.03.2013	31.03.2012
Investment in Equity (Refer Note No. 9A)	21,319,228	20,431,065
Others	-	-
<b>Total</b>	<b>21,319,228</b>	<b>20,431,065</b>

# Arihant's Securities Limited



## NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2013

### Note 9A Investment in Equity

(Amount in ₹)

No. of Shares	Shares and Securities	2013	2012
<b>QUOTED EQUITY SHARES :</b>			
500	AHMAD FORGE	16,500	16,500
5000	ALK SECURITIES	4,900	4,900
600	ALPHAGEO	34,200	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	28,250
400	BF INVESTMENTS LTD	17,200	17,200
400	BF UTILITIES	128,120	128,120
2	BODAL CHEMICALS LTD	100	100
2500	BPL LTD	40,100	40,100
200000	CEE TV ENTERTAINMENT LIMITED	2,000,000	-
1800	CEREBRA INTEGRATED TECH LTD	70,030	70,030
5343	CLARIANT CHEM	1,051,502	1,051,502
15500	COMFORT INC	41,420	41,420
170	DATANET SYSTEM	-	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	353,294
500	EASUN REYROLLE	22,425	22,425
1000	EDL	47,350	47,350
2300	ENCHANTE JEWEL	8,510	8,510
600	ESSAR (INDIA) LTD	4,297	6,447
2220	ESSAR SHIPPING	52,920	52,920
25000	EVEREADY	445,000	445,000
2800	FACT ENT	28,000	28,000
60000	FCL	1,038,353	-
2500	FERVENT SYNERGIES LIMITED	25,000	-
6000	GEECEE VENTURES LTD.	249,600	249,600
19500	GOLDINFRA	284,309	284,310
30000	GOLDSTONE TECHNOLOGIES	406,500	406,500
1000	GRAPHITE INDIA	42,827	42,827
280	GUJARAT NRE COKE NEW PP	3,710	3,710
250	GUJARAT BOROSIL	1,752	1,752
952	GUJARAT MINERAL	37,746	37,746
2800	GUJARAT NRE COKE	74,620	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	213,980	220,745
6490	INDIA BULLS EQ	6,490	-
275	INDIA BULLS WHOLE EQ	275	-
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	516,688
500	INVICTA MEDITEK LTD.	2,745	2,745
1000	ISMIT	20,050	20,050
400	JAGRAN PRAKASHAN	39,420	39,420
750	JAIPRAKASH ASSOCIATES	59,325	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	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
1400	MIDDAY	16,534	16,534
100	MONEY MATTER	7,979	7,979
1000	MRPL	41,050	41,050
86500	M S INVESTMENTS	230,900	178,500
2000	MTZ POLYFILMS LIMITED	2,000	-
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



4028	NTC INDUSTRIES LIMITED	180,857	-
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	2,510
500	PSL HOLDINGS	43,325	43,325
10	PUNJAB NATIONAL BANK	10,895	-
9300	RAJESWARI FOUNDATION	73,470	73,470
54	RANBAXY	8,942	8,943
4028	RDB INDUSTRIES	-	180,857
4028	RDB RREALTY & INF	96,672	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
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	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	132,465
500	SPML INFRA LTD.	23,300	23,300
300	SQL STAR	2,205	2,205
1500	SHREE JAYALAKSHMI AUTO	1,500	-
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	20
160	SUN PHARMA ADV RES CO LTD	6,400	-
2308	SUN TV	229,957	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
170	WEB SOLUTION LTD	34,681	-
1200	YARN SYNDICATE	3,540	3,540
	OTHERS	179,128	235,028
<b>1,204,092</b>	<b>TOTAL</b>	<b>13,947,228</b>	<b>11,059,065</b>
	<b>Market Value</b>	<b>32,457,782</b>	<b>33,371,015</b>
	<b>UNQUOTED EQUITY SHARES</b>		
130000	ASL CAPITAL HOLDINGS P LIMITED	5,372,000	5,372,000
200000	CEE TV ENTERTAINMENT LIMITED	-	2,000,000
200000	RAJ FINLEASE LIMITED	2,000,000	2,000,000
<b>530,000</b>	<b>TOTAL</b>	<b>7,372,000</b>	<b>9,372,000</b>
	<b>GRAND TOTAL</b>	<b>21,319,228</b>	<b>20,431,065</b>

## Arihant's Securities Limited



### Notes to and forming part of Balance Sheet as at 31<sup>st</sup> March 2013

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

Particulars	31.03.2013	31.03.2012
Unsecured, Considered Good	11,360,457	11,801,421
<b>Total</b>	<b>11,360,457</b>	<b>11,801,421</b>

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

Particulars	31.03.2013	31.03.2012
Bank Balance	(255,160)	86,170
<b>Total</b>	<b>(255,160)</b>	<b>86,170</b>

The Company maintains Nil Cash balance

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

Particulars	31.03.2013	31.03.2012
Others *	56,317	59,593
<b>Total</b>	<b>56,317</b>	<b>59,593</b>

\* Others represents current year Tax deducted at Source

### Notes to and forming part of Profit and Loss Account as at 31st March 2013

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

Particulars	31.03.2013	31.03.2012
Interest Income	563,173	595,926
Income from Share Trading - share segment	(15,420)	12,570,012
Dividend Income	481,475	619,547
Income from Commodities Trading	-	-
Loss from Futures, Options	-	-
<b>Total</b>	<b>1,029,228</b>	<b>13,785,485</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	31.03.2013	31.03.2012
Bad Debts Recovered	450,000	12,200
Other Income*	19,900	-
<b>Total</b>	<b>4,69,900</b>	<b>12,200</b>

\* Other Income represents sundry creditors written off.

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

Particulars	31.03.2013	31.03.2012
Salaries Paid	238,833	102,779
<b>Total</b>	<b>238,833</b>	<b>102,779</b>

## Arihant's Securities Limited



### Notes to and forming part of Profit and Loss Account as at 31<sup>st</sup> March 2013

#### Note 16 : Other Operating Expenses

(Amount in ₹)

Particulars	31.03.2013	31.03.2012
Advertisement Expense	29,175	37,875
Audit Fees	35,000	35,000
Printing and Stationery	27,490	18,000
Share Segment Expenses	57,302	35,107
Subscription	29,216	32,574
Miscellaneous Expense	204,765	46,452
<b>Total (A + B)</b>	<b>382,948</b>	<b>205,008</b>
<b>Auditor Remuneration</b>		
Auditor's Fees	20,000	20,000
Out of Pocket Expense	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 Holdings Private Limited	Associate
Ravikant Choudhry	Chairman - Key Management Personnel
Nishikant Choudhary	Managing Director - Key Management Personnel

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

(Amount in ₹)

Transactions	Associate	KMP
1. Purchases	-	-
2. Sales	186,630	-
3. Balance as on 31.03.2013 (Dr.)	11,360,457	-
4. Bad Debts	-	-

#### 21. Earnings per Share

(Amount in ₹)

Particulars	31.03.2013	31.03.2012
a. Profit / (Loss) for the year	749,668	11,031,438
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>0.15</b>	<b>2.21</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 2013

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 31.03.13	Year ended 31.03.12
<b>1</b>	<b>Segment Revenue</b>		
	a. Loans	563,173	595,926
	b. Trading of Shares	466,055	13,189,559
	c. Others	469,900	12,200
	<b>Total</b>	<b>1,499,128</b>	<b>13,797,685</b>
	Less: Intersegment revenue	-	-
	<b>Net Sales / Income from Operations</b>	<b>1,499,128</b>	<b>13,797,685</b>
<b>2</b>	<b>Segment Results</b>		
	Profit(+)/Loss(-) before Tax and Interest from each segment		
	a. Loans	563,173	595,926
	b. Trading of Shares	466,055	13,189,559
	c. Others	469,900	12,200
	<b>Total</b>	<b>1,499,128</b>	<b>13,797,685</b>
	Less:(i) Interest	-	-
	(ii) Other Unallocable expenditure net of Unallocable Income	625,005	315,247
	<b>Total Profit before Tax</b>	<b>874,123</b>	<b>13,482,438</b>
<b>3</b>	<b>Capital Employed</b>		
	(Segment Assets - Segment Liabilities)		
	a. Loans	4,678,506	4,334,655
	b. Trading of Shares	21,319,228	20,431,065
	c. Others	-	-
	<b>Total</b>	<b>25,997,734</b>	<b>24,765,720</b>

## NOTES:

- The above audited financial results were taken on record at the Board Meeting of the Company held on 30<sup>th</sup> May 2013
- Status of Investor Complaints for the quarter ended 31.03.2013

Particulars	3 months ended 31/03/2013
Pending As At 01.01.2013	NIL
Received during the quarter	NIL
Disposed of during the quarter	NIL
Pending As At 31.03.2013	NIL

**Note 24** : Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

# Arihant's Securities Limited



## Notes to and forming part of Balance Sheet as at 31<sup>st</sup> March 2013

**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
<u>Liabilities :</u>	₹	₹
<b>I 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 deposit)		
b) Deferred Credits	-	-
c) Term Loans	-	-
d) Inter-Corporate loans and borrowings	-	-
e) Commercial Paper	-	-
f) Other loans (specify nature)	-	-
<b>Assets :</b>		
<b>II Break-up of Loans and Advances including bills receivables [Other than those included in (4) below]</b>	Amount outstanding	
	₹	
a) Secured	-	
b) Unsecured	4,678,506	
<b>III 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>IV Break-up of Investments:</b>		
Current Investments		
1. Quoted		
i. Shares (a) Equity	13,947,228	
(b) Preference	-	
ii. Debentures and Bonds	-	
iii. Units of Mutual Fund	-	
iv. Government Securities	-	
v. Others	-	
2. Unquoted		
i. Shares (a) Equity	7,372,000	
(b) Preference	-	
ii. Debentures and Bonds	-	
iii. Units of Mutual Fund	-	
iv. Government Securities	-	
v. Others	-	
<b>Long term investments:</b>		
1. Quoted		
i. Shares (a) Equity	-	
(b) Preference	-	
ii. Debentures and Bonds	-	
iii. Units of Mutual Fund	-	
iv. Government Securities	-	
v. Others	-	

# Arihant's Securities Limited



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

## V Borrower group-wise classification of assets financed as in (2) and (3) above :

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>	-	-	-

## VI Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

Category	Market Value / Fair Value / NAV	Book Value (Net of Prov)
1. Related Parties**		
a) Subsidiaries	-	-
b) Companies in the same group	-	-
Other related parties*	5,372,000	5,372,000
d) Other than related parties	32,457,782	15,947,228
<b>Total</b>	<b>37,829,782</b>	<b>21,319,228</b>

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

\*\* As per Accounting Standard of ICAI

## VII Other Information

	Amount
i) Gross Non-Performing Assets :	
a) Related Parties	-
b) Other than Related Parties	993,199
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 (Non-Deposit Accepting or Holding) 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, 30.05.2013

For and on behalf of the Board of Directors

Sd/-

Chairman & Director  
(RAVIKANT CHOUDHRY)

Sd/-

Managing Director  
(NISHIKANTH CHOUDHARY)



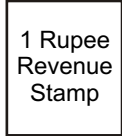
**ARIHANT'S SECURITIES LIMITED**

Registered Office : 138, Dr.Radhakrishnan Salai, Mylapore, Chennai - 600004.

**PROXY FORM**

I/We .....  
of .....  
being member(s) of Arihant's Securities Limited hereby appoint .....  
.....  
of ..... or  
failing him / her ..... as  
my/our proxy to attend and vote for me/us on my/our behalf at the Nineteenth Annual General Meeting of the  
Company to be held on Monday, September 30th, 2013 at 9.30 a.m. at the Registered Office of the  
Company at 138, Dr. Radhakrishnan Salai, Mylapore, Chennai - 600004, and / or any adjournment thereof.

Signed this ..... day of .....2013



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 LIMITED**

Registered Office : 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 Nineteenth Annual General Meeting held on Monday, September 30th,  
2013 at 9.30 a.m. at the Registered Office of the Company at 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**

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*If undelivered Please return to :*

**Arihant's Securities Limited**

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