

Sixteenth Annual Report
2009-2010



Arihant's Securities Limited

Arihant's Securities Limited



- Board of Directors** : 1. Ravikant Choudhry, Chairman
2. Nishikanth Choudhary, Managing Director
3. Ajit Kumar Chordia, Director
4. Sanjay Shand, Director (Upto 16.09.2009)
5. Subhash Chand Nahar, Director
- Audit Committee** : 1. Ajit Kumar Chordia, Member - Chairman
2. Subhash Chand Nahar, Member (w.e.f. 16.09.2009)
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



NOTICE

To The Shareholders

NOTICE is hereby given that the Sixteenth 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 Tuesday, 28th September, 2010 at 9.30 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive consider and adopt the Audited Balance Sheet as at 31.03.2010, the Profit & Loss account for the period from 01.04.2009 to 31.03.2010 and to consider the reports of the Directors and Auditors thereon.
2. To appoint a director in place of Shri Subhash Chand Nahar, Director who retires by rotation and being eligible offers himself for reappointment.
3. To appoint M/s. N.R. Krishnamoorthy & Co., Chartered Accountants, the retiring auditors, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the company at a remuneration to be fixed by the Board of Directors of the Company in consultation with them.

Registered Office

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

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

Sd/-
Ravikant Choudhry
(Chairman & Director)

Date : 02.09.2010

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 ATLEAST 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 TUESDAY, 21ST SEPTEMBER, 2010 TO TUESDAY, 28TH SEPTEMBER, 2010 (BOTH DAYS INCLUSIVE) IN CONNECTION WITH THE ANNUAL GENERAL MEETING.**
4. **THE MEMBERS ARE REQUESTED TO INTIMATE TO THE REGISTRAR AND TRANSFER AGENTS, CAMEO CORPORATE SERVICES LIMITED, #1, SUBRAMANIAM BUILDING, CLUB HOUSE ROAD, MOUNT ROAD, CHENNAI - 600 002, CHANGE OF ADDRESS, IF ANY AT THE EARLIEST QUOTING THEIR REGISTERED FOLIO NUMBER.**
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. **REAPPOINTMENT OF DIRECTORS**

At the ensuing Annual General Meeting Shri Subhash Chand Nahar, Director of the company retires by rotation and being eligible offers himself for reappointment. Pursuant to Clause 49(VI)(A) of the Listing Agreement relating to the code of Corporate Governance, the particulars of the aforesaid Director are given below:

Profile of Directors retiring by rotation:

- a) Shri Subhash Chand Nahar B.A. (Corp.) aged about 46 years is a dynamic financier and entrepreneur. He has deep rooted knowledge in hire purchase financing, loan financing, business administration, direct taxes and so on. He is an expert in Finance and business management.
Shri Subhash Chand Nahar who joined the company on 29th June, 1995 as a Non-Executive 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 member of the Audit Committee and Shareholders/ Investors Grievance Committee and Chairman of the Remuneration Committee of the Board of Directors of the Company. He holds 60100 Equity Shares in the company.

The other directorships of Shri Subhash Chand Nahar are:

1. Hira Financial Services Limited
2. K-ites Private Limited

Other Committee Memberships are NIL.

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

Sd/-
Ravikant Choudhry
(Chairman & Director)

Chennai

Dated : September 2, 2010



DIRECTORS REPORT

Your Directors are happy to present the Sixteenth Annual Report of your company together with the Audited Accounts of the Company for the financial year ended 31st March 2010.

FINANCIAL HIGHLIGHTS:

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

Particulars	31.03.2010	31.03.2009
Income	2,485,514.00	(4,917,986.00)
Profit / (Loss) before Depreciation and Tax	1,697,352.00	(5,792,705.00)
Less : Depreciation	6,689.00	4,984.00
Profit / (Loss) before Tax	1,690,662.00	(5,797,689.00)
Less : Provision for Income Tax	1,85,000.00	321,944.00
Add : Deferred Tax Asset	(1,630.00)	0.00
Profit / (Loss) After Tax	1,507,292.00	(6,119,633.00)
Add : Balance Brought Forward from previous Year	(28,187,315.00)	(22,067,682.00)
Profit / (Loss) Available for Appropriation	(26,680,023.00)	(28,187,315.00)
Appropriations :		
Transfer to Special Reserve	0.00	0.00
Balance of Profit/(Loss) Carried over to Balance Sheet	(26,680,023.00)	(28,187,315.00)
EPS Basic & Diluted (Rs)	0.30	(1.22)
Weighted Average No. of shares	50,00,000	50,00,000

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 2010-2011 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 in a small way on loan financing. This year has witnessed several new highs in the capital markets and is likely to do so in the future as well. There has been an overall fall in the interest rates in the market during the year.

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 Rs. 1,507,292/- as against a loss of Rs. 6,119,633/- 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., Loan Segment and Share 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 31st March 2010.

DIRECTORS

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

Shri Sanjay Shand, Director of the company, retired by rotation at the Annual General Meeting of the company held on 16.09.2009

AUDITORS:

M/s. Sureshkumar & Co., Chartered Accountants, Statutory Auditors of the Company retired at the conclusion of the Annual General Meeting of the Company held on 16.09.2009 and were not willing to be reappointed. M/s. N.R. Krishnamoorthy & Co. Chartered Accountants were appointed as the Statutory Auditors of the Company to fill the casual vacancy so caused. 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 appointment of the new 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 2009-10.

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 EMLPOYEES 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.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Information required on Balance Sheet Abstract and the Company's General Business Profile under Part IV of Schedule VI of Companies Act 1956 inserted by notification No. GSR 388 (E), dated 15.5.1995 is given in Annexure I of this Report.

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.

DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors hereby declare :-

1. that in preparation of accounts, applicable accounting standards have been followed or where departure has been made, explanation relating to material departures;
2. that directors have selected such accounting policies and applied them and made judgements and estimates that are reasonable and prudent to give a true and fair view of state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
3. that Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- 4 that the directors had prepared Annual Accounts 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

Chennai
Dated : September 2, 2010

Sd/-
Ravikant Choudhry
(Chairman)



**ANNEXURE - 1 TO THE DIRECTORS' REPORT
ADDITIONAL INFORMATION ON BALANCE SHEET ABSTRACT AND THE COMPANY'S GENERAL
BUSINESS PROFILE AS REQUIRED UNDER PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956.**

I. Registration Details		
Registration No.	:	027783
State Code	:	18
Balance Sheet Date	:	31.03.2010
II. Capital Raised during the year (Amount Rs. in Thousands)		
Public Issue	:	Nil
Rights Issue	:	Nil
Bonus Issue	:	Nil
Private Placement	:	Nil
III. Position of Mobilisation and Deployment of Funds (Amount Rs. in Thousands)		
Total Liabilities	:	55,649.17
Total Assets	:	55,649.17
Source of Funds		
Paid-up Capital	:	50,000.00
Reserves & Surplus	:	5,649.17
Secured Loans	:	Nil
Unsecured Loans	:	Nil
Application of Funds		
Net Fixed Assets	:	1,574.74
Investments	:	900.00
Net Current Assets	:	26,492.78
Miscellaneous Expenditure	:	Nil
Accumulated Losses	:	26,680.02
Deferred Tax Asset	:	1.63
IV. Performance of the Company (Amount Rs. in Thousands)		
Total Income	:	2485.51
Total Expenditure	:	794.85
Profit Before Tax	:	1690.66
Profit After Tax	:	1507.29
Earnings Per Share (Rs.)	:	0.30
Dividend Rate (%)	:	Nil
V. Generic Names of Principal Products/Services of the Company (as per monetary terms)		
Item Code No.	:	N.A.
Product Description.	:	Financial Services Company



ANNEXURE 2 TO THE DIRECTOR'S REPORT

CORPORATE GOVERNANCE

A. MANDATORY REPORTS ON CORPORATE GOVERNANCE

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

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

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

II. Board of Directors :

Composition and Category

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

The Executive Director is involved in the day to day management of the Company and non-executive including the independent directors bring external and wider perspective and independence to the decision making. The composition of the Board of Directors with reference to number of Executive and Non-Executive Directors generally meets with the requirements of Clause 49(1)(A) of the Listing Agreement.

Mr. Nishikanth Choudhary is the Managing Director of the Company. He works under the direction, control and supervision of the Board of Directors which meets at regular intervals. Policy formulation, evaluation of performance and control functions vest with the Board.

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

The composition of the Board of Directors, attendance of each Director at the Board Meetings held during the year under review as well as in the last Annual General Meeting, the number of other Directorship and Committee positions held by the Director, of which the Director is a member/ Chairman as on March 31, 2010 are as under:



Name	Designation	Category	No. of Board Meetings attended during 2009-2010 out of Thirteen	Whether attended the last AGM	No. of Directorships in public companies (Other than Arihant's Securities Limited)	No. of other Board committees (Other than Arihant's Securities Limited) in which he/she is member/ chairperson
Ravikant Choudhry	Chairman	Non - Executive	Thirteen	Yes	2	2
Nishikant Choudhary	Managing Director	Executive	Thirteen	Yes	Nil	Nil
Ajit Kumar Chordia	Director	Non-Executive & Independent	Thirteen	Yes	1	1
Subhash Chand Nahar	Director	Non - Executive	Thirteen	Yes	1	Nil

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

Shri Sanjay Shand, Director of the company retired by rotation at the Annual General Meeting of the Company held on 16.09.2009.

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 31st March, 2010 Thirteen Board meetings were held i.e. on 2nd April, 2009, 30th April, 2009, 26th May, 2009, 30th June, 2009, 31st July, 2009, 10th August, 2009, 20th August, 2009, 16th September, 2009, 31st October, 2009, 31st December, 2009, 30th January, 2010, 2nd March, 2010 and 31st March 2010. The gap between two Board meetings did not exceed four months. All directors have attended all the Thirteen meetings and have attended the last AGM held on 16.09.2009.

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 and to obtain outside legal and professional advice.

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, 2010.

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

CHANGE IN THE COMPOSITION OF THE AUDIT COMMITTEE

Shri Sanjay Shand has ceased to be a Member of the Audit Committee w.e.f. 16.09.2009 and Shri Subhash Chand Nahar was appointed as the Member of the Audit Committee in his place w.e.f. 16.09.2009 at the meeting of the Board of Directors of the company.

Meetings and Attendance:

The Audit Committee met 5 (five) times during the year ended 31st March, 2010 i.e. on

30th April, 2009, 30th June, 2009, 31st July, 2009, 31st October, 2009 and 30th January, 2010

The gap between two meetings did not exceed four months. The Audit Committee also met prior to finalization of accounts for the year ended 31st March, 2010. And all the directors have attended all the five meetings.

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

b) REMUNERATION COMMITTEE :

TERMS OF REFERENCE AND REMUNERATION POLICY:

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

Constitution:

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



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.

CHANGE IN THE COMPOSITION OF THE REMUNERATION COMMITTEE

Shri Sanjay Shand has ceased to be the Chairman and Member of the Remuneration Committee w.e.f. 16.09.2009 and Shri Subhash Chand Nahar was appointed as the Chairman and Member of the Remuneration Committee in his place w.e.f. 16.09.2009 at the meeting of the Board of Directors of the company.

Meetings and Attendance:

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

31st October, 2009

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 31st March, 2010 are as under.

- | | |
|--|-------------------------|
| 1. Ravikant Choudhry, Chairman | : 1398900 Equity Shares |
| 2. Nishikanth Choudhary, Managing Director | : Nil |
| 3. Ajit Kumar Chordia, Director | : Nil |
| 4. Sanjay Shand, Director | : Nil |
| 5. 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 Shri Ravikant Choudhry who is a Non-Executive director of the Company.

CHANGE IN THE COMPOSITION OF THE SHAREHOLDERS/ INVESTORS GRIEVANCE COMMITTEE

Shri Sanjay Shand has ceased to be a Member of the Shareholders/ Investors Grievance Committee w.e.f. 16.09.2009 and Shri Subhash Chand Nahar was appointed as the Member of the Shareholders/ Investors Grievance Committee in his place w.e.f. 16.09.2009 at the meeting of the Board of Directors of the company.

Meetings and Attendance:

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

30th April, 2009, 31st July, 2009, 31st October, 2009 and 31st January, 2010

And all the directors have attended all the four meetings.

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

SHRI V. KANNAN, COMPLIANCE OFFICER

Tel No. : +91-44-28444555

Fax No. : +91-44-43434030

Email ID : arihantssecurities@gmail.com

DETAILS OF INVESTORS COMPLAINTS RECEIVED AND ADDRESSED:

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

No Investors grievances remained unattended/ pending for more than 30 days as on 31st March, 2010.

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 2009	16.09.2009	138, Dr. Radhakrishnan Salai, Mylapore, Chennai-600 004.	9.30 A.M.	No
AGM for the year 2008	16.09.2008	138, Dr. Radhakrishnan Salai, Mylapore, Chennai-600 004.	9.30 A.M.	No
AGM for the year 2007	20.09.2007	138, Dr. Radhakrishnan Salai, Mylapore, Chennai-600 004.	9.30 A.M.	No

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

VI. SUBSIDIARIES : NIL**VII. CODE OF CONDUCT:**

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

VIII. PREVENTION OF INSIDER TRADING :

The Company has framed a Code of Conduct for prevention of Insider Trading based on SEBI (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 31st March, 2010. 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. 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 : **16th AGM**
Date : **28TH SEPTEMBER, 2010**
Day : **TUESDAY**
Time : **9.30 A.M.**
Venue : **138, Dr. Radhakrishnan Salai, Mylapore, Chennai - 600 004.**
Financial year : **1ST April, 2009 to 31st March, 2010**
Book Closure date : **TUESDAY, 21ST SEPTEMBER, 2010 TO TUESDAY, 28TH SEPTEMBER, 2010 (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 2010-2011

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 31st March, 2010. 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.



SHARE PRICES:

Stock Code :

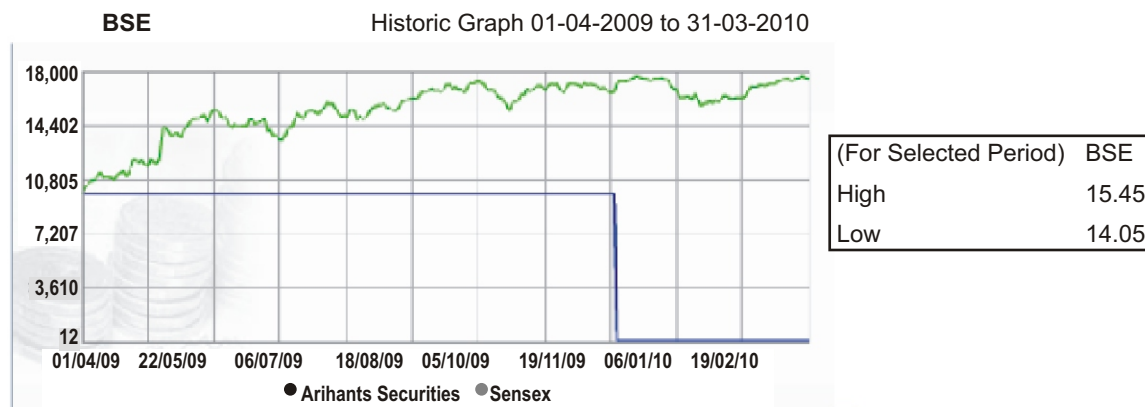
Name of the Stock Exchange	Stock Code (Physical)	Stock Code (Demat)
Bombay Stock Exchange Ltd.	531017	531017
Madras Stock Exchange Ltd.	ARIHTSECU	ARIHTSECU

Market Price Data :

High, low (based on the closing prices) and number of shares traded during each month in the financial year 2009-2010 on the Bombay Stock Exchange Limited

BOMBAY STOCK EXCHANGE LTD.			
Month	High (Rs)	Low (Rs)	Total Number of Shares Traded
April - 2009			
May - 2009			
June - 2009			
July - 2009			
August - 2009			
September - 2009			
October - 2009			
November - 2009			
December - 2009	15.45	14.05	600
January - 2010			
February - 2010			
March - 2010	14.55	14.55	100

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





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 31ST MARCH, 2010

Category	Shares	%
A. Promoters Holdings	2020100	40.40
1. Promoters		
Indian Promoters		
Foreign Promoters		
2. Persons Acting in concert		
Sub-Total	2020100	40.40
B. Non Promoters Holdings		
3. Institutional Investors		
a) Mutual Funds and UTI	-	-
b) Banks, Financial Institutions, Insurance Companies, (Central/ State Govt/ Institutions/ Non-Government Institutions) City Union Bank	-	-
c) FIs	-	-
Sub-Total	-	-
4. Others		
a) Private Bodies Corporate	1083496	21.6699
b) Pan Link Consultants	-	-
c) Indian Public	1894404	37.8881
d) NRI/OCBs	-	-
e) Any other (Please Specify)	2000	0.0400
Shares in Transit		
Forfeited Shares		
Foreign National		
Sub-Total	2979900	59.5980
Grand Total	5000000	100



DISTRIBUTION SCHEDULE AS ON 31.03.2010

No. of Equity Shares Held	No. of Share Holders	%	No. of Shares	%
Upto 5000	1699	77.1921	276104	5.5220
5001 - 10000	194	8.8141	161200	3.2240
10001 - 20000	123	5.5883	186200	3.7240
20001 - 30000	88	3.9981	220100	4.4020
30001 - 40000	16	0.7269	55800	1.1160
40001 - 50000	18	0.8178	87900	1.7580
50001 - 100000	28	1.2721	236600	4.7320
100001 & above	35	1.5901	3776096	75.5219
Total	2201	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 31st March, 2010 the details of shares in demat mode and in physical mode are as under :

No. of shares in Physical mode : 3049900 (60.9980%)

No. of shares in dematerialized mode : 1950100 (39.0020%)

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

Outstanding GDRs/ADRs/ Warrants : Nil

SECRETARIAL AUDIT FOR RECONCILIATION OF CAPITAL:

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

Company Registration details

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

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

Address for Correspondence :

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

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

E-mail : arihantssecurities@gmail.com

Compliance Officer : V.Kannan

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 :02.09.2010

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 31st March, 2010, 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 : 02.09.2010

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 : RS. 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, 2010. 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, 2010 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 : 29.05.2010

Place : Chennai



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 2009-10 - 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 for the year ended 31.3.2010 and that to the best of our 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 give 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 our 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
 - 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 : 02.09.2010
Place : Chennai



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

1. We have audited the attached Balance Sheet M/s. Arihant's Securities Limited as at March 31, 2010 and the Profit and Loss Account and the Cash Flow Statement for the year ended March 31, 2010. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted the audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies Auditors Report Order, 2003 and amended by the Companies Auditors Report (Amendment) Order, 2004 issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, on the basis of such checks as we considered appropriate and the information and explanations given to us during the course of the audit of the books and accounts, we enclose in the Annexure a statement on the matters specified in the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we state that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii. In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books.
 - iii. The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - iv. In our opinion, the Balance Sheet, the Profit and Loss Account and the cash flow statement dealt by with this report have been prepared in all material respects in compliance with the applicable accounting standards issued by the Institute of Chartered Accountants of India referred to in Section 211(3C) of the Companies Act, 1956.
 - v. On the basis of written representations received from the directors as on March 31, 2010 and taken on record by the Board of directors of the company, none of the directors is disqualified as on March 31, 2010 from being appointed as a Director in terms of Section 274(1)(g) of the Companies Act, 1956.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement, read together with significant accounting policies and the notes thereon give in the prescribed manner the information required by the Companies Act, 1956 of India and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of the Balance Sheet, the state of affairs of the company as at March 31, 2010 and
 - b) In the case of the Profit and Loss Account, of the Profit for the year ended on that date.
 - c) In the case of the Cash Flow Statement, of the Cash flow for the year ended on that date.

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

Sd/-

N.R. KRISHNAMOORTHY
Partner

Membership No. : 020638
FRN : 001492S

Place: Chennai
Date: 29.05.2010



ANNEXURE referred to in paragraph 3 of our report of even date to the members
of **ARIHANT'S SECURITIES LIMITED** for the year ended 31st March 2010

1. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b. All the assets have not been physically verified by the management during the year but there is a regular programme of verification, which in our opinion, is reasonable having regard to the size of the company and nature of its assets. As informed to us, no material discrepancies were noted on such verification
2. a. The company has not disposed off substantial part of its fixed assets during the year.
b. As informed to us, the inventories, have been verified by the management with the supporting evidence during the year. In our opinion, the frequency of verification is reasonable.
c. The procedures of verification of inventory followed by the management are reasonable and adequate in relation to size of the company and the nature of its business.
3. a. On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory (shares). We are informed that no discrepancies were noticed on verification between the dematerialized stocks, physical certificates of stocks and the book records.
b. The company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
c. The company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. a. According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956, have been so entered.
b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding in value of rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The company has not accepted deposits from the public.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. The company has not been required by the Central Government to maintain cost records under section 209 (1) (d) of the Companies Act, 1956.
9. a. The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee state insurance fund, income tax, sales tax, customs duty, excise duty and other material statutory dues applicable to it.
b. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March 2010 for a period of more than six months from the date they became payable.
10. The Company's Accumulated losses at the end of the financial year are less than fifty percent of its net worth, and it has not incurred cash losses during the financial year.
11. In our opinion and according to the information and explanations given to us, the company has no outstanding dues to a financial institution / bank.
12. In our opinion and according to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.
14. Based on our audit procedures and according to the information and explanations provided to us by the management, we are of the opinion that the Company has maintained proper records in respect of the trading transactions and contracts of shares, securities, debentures and other investment. Also, the Company has accounted such transaction on date of transactions further, the investments have been held by the Company in its own name.
15. According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
16. In our opinion and according to the information and explanation given to us, the Company has not taken any term loan during the year covered by our audit.
17. According to the information and explanations given to us and on overall examination of the balance sheet of the company we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
18. According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. According to the information and explanations given to us, the company has not issued any debentures during the period covered by our audit.
20. The company has not raised any money by way of public issue during the year.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

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

Sd/-

N.R. KRISHNAMOORTHY
Partner

Membership No. : 020638

FRN : 001492S

Place: Chennai
Date: 29.05.2010

Arihant's Securities Limited



To
The Board of Directors,
Arihant 's Securities Ltd

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

1. The Company is engaged in the business of Non Banking Finance Institution and it has obtained Certificate of Registration No. : 07.00211 dated 1st April, 1998 from Reserve Bank of India.
2. The Company is entitled to hold such certificate of registration in terms of its asset income pattern as on March 31, 2010
3. The Board of Directors in their meeting held on 2nd April, 2009 has passed a resolution for non-acceptance of any public deposit without prior approval of Reserve Bank of India in writing.
4. As per the information and explanations given to us and as appears from the books of account of the company, company has not accepted any deposit from the public during the year ended on 31st March, 2010.
5. In our opinion and as per the information and explanations given to us the Company has complied with prudential norms relating to income recognition, accounting standard, asset classification, and provisioning of bad and doubtful debt as applicable to it in terms of Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 for the year ended on 31st March 2010.
6. In our opinion and as per the information and explanations given to us by the company, the capital adequacy ratio as disclosed in the return submitted to bank in form NBS-7, has been correctly arrived at and such ratio is in compliance with the minimum Capital to Risk Asset Ratio prescribed by the bank and such NBS-7 is duly submitted to bank within the stipulated period.

Place: Chennai
Date: 29.05.2010

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

Arihant's Securities Limited



BALANCE SHEET AS ON 31ST MARCH 2010

Sources of Funds:	Sch	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
Share Holders' Fund			
Share Capital	1	50,000,000	50,000,000
Reserves and Surplus	2	5,649,169	5,649,169
Loan Funds:			
Secured Loan		-	-
Unsecured Loan		-	-
		55,649,169	55,649,169
Application of Funds:			
Fixed Assets	3		
Gross Block		1,619,416	2,028,666
Less : Depreciation		44,677	37,988
Net Block		1,574,739	1,990,678
Capital Work in Progress (at Cost)		-	-
		1,574,739	1,990,678
Investments	4	900,000	900,000
Current Assets, Loans and Advances			
Cash and Bank Balances	5	769,778	418,728
Shares and Securities	6	20,873,816	20,270,303
Loans and Advances	7	9,136,401	10,972,624
		30,779,995	31,661,655
Less: Current Liabilities and Provisions :			
Sundry Creditors	8	3,988,839	7,035,855
Provisions	9	298,379	54,624
Net Current Assets		26,492,778	24,571,176
Miscellaneous Expenditure			
Profit and Loss Account		26,680,023	28,187,315
Deferred Tax Asset		1,630	-
		55,649,169	55,649,169
Significant Accounting Policies	11		
Notes on Accounts	12		

The Schedules referred to above and the notes thereon form an integral part of the Balance Sheet vide our report even date For N.R. KRISHNAMOORTHY & CO., Chartered Accountants. Sd/- N.R. KRISHNAMOORTHY, Partner Membership No. : 020638 FRN : 001492S Place: Chennai Date: 29.05.2010

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

Arihant's Securities Limited



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

Particulars	Sch	2009-2010 Rs.	2008-2009 Rs.
Income:			
Income from Share Trading - Share Segment		2,010,168	(8,166,425)
Interest Income - Loan Segment		375,468	253,608
Loss from Futures, Options		(312,826)	-
Dividend Income		382,969	442,488
Other Income		29,735	77,974
NPA Provisions written back		-	2,474,369
	(A)	2,485,514	(4,917,986)
Expenditure :			
Share Segment Expenses	10	89,296	209,711
Other Administrative Expenses		698,866	665,008
	(B)	788,162	874,719
Profit before Depreciation	(A-B)	1,697,352	(5,792,705)
Depreciation		6,689	4,984
Profit before Tax		1,690,662	(5,797,689)
Less : Provision for Income Tax		185,000	321,944
Add : Deferred tax Asset		(1,630)	-
		1,507,292	(6,119,633)
Add : Balance brought forward from Previous year		(28,187,315)	(22,067,682)
Balance of Profit / Loss carried over to Balance Sheet		(26,680,023)	(28,187,315)
Earnings per share			
a. Basic		0.30	(1.22)
b. Diluted		0.30	(1.22)
Significant Accounting Policies	11		
Notes on Accounts	12		

The Schedules referred to above and the notes thereon form an integral part of the Profit & Loss Account vide our report even date
For N.R. KRISHNAMOORTHY & CO.,
Chartered Accountants.
Sd/-
N.R. KRISHNAMOORTHY, Partner
Membership No. : 020638
FRN : 001492S
Place: Chennai
Date: 29.05.2010

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

Arihant's Securities Limited



SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH 2010

Schedule 1	2010 Rs.	2009 Rs.
Share Capital		
Authorised: 60,00,000 Equity Shares of Rs. 10/- each	60,000,000	60,000,000
Issued, Subscribed and Paid Up: 50,00,000 Equity Shares of Rs. 10/- each	50,000,000	50,000,000
Schedule 2		
Reserves and Surplus		
General Reserve	2,500,000	2,500,000
Special Reserve	3,149,169	3,149,169
	5,649,169	5,649,169

SCHEDULE 3 - FIXED ASSETS

Description	Gross Block at cost				Depreciation				Net Block	
	As on 1.4.2009 Rs.	Additions Rs.	Deductions Rs.	As on 31.03.2010 Rs.	As on 1.4.2009 Rs.	For the year ended 31-03-2010 Rs.	Deductions Rs.	Upto 31.03.2010 Rs.	As on 31.03.2010 Rs.	As on 31.03.2009 Rs.
Land	1,556,690	-	-	1,556,690	-	-	-	-	1,556,690	1,556,690
Flat	409,250	-	409,250	-	-	-	-	-	-	409,250
Computer	16,150	-	-	16,150	6,543	2,618	-	9,161	6,989	9,607
Motor Cycle	39,138	-	-	39,138	27,136	3,718	-	30,854	8,284	12,002
Office Equipments	7,438	-	-	7,438	4,309	353	-	4,662	2,776	3,129
Total	2,028,666	-	409,250	1,619,416	37,988	6,689	-	44,677	1,574,739	1,990,678

Schedule 4	2010 (Rs)	2009 (Rs)
Investments		
Land at Sriperumbudur	900,000	900,000
	900,000	900,000
Schedule -5		
Cash & Bank Balances		
Cash in hand	4,798	35,910
Bank Balance -		
With Scheduled Bank		
Current Account	764,980	382,818
Call Account	-	-
Deposit Account	-	-
With Others		
Current Account	-	-
Call Account	-	-
Deposit Account	-	-
	769,778	418,728

Arihant's Securities Limited



SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH 2010

Schedule 6

No. of Shares	Shares and Securities	2010 (Rs)	2009 (Rs)
QUOTED EQUITY SHARES :			
500	AHMAD FORGE	16,500	16,500
3100	ARVIND MILLS	41,540	41,540
400	BF UTILITIES	128,120	128,120
2500	BPL LTD	40,100	40,100
5343	CLARIANT CHEM	1,051,502	1,051,502
2550	DATANET SYSTEM	34,681	34,680
1000	DEEPAK FERT	56,600	56,600
6000	DISHTV	232,880	23,950
100500	DR. AGARWAL EYE	1,500,000	1,500,000
500	EASUN REYROLLE	22,425	22,425
1000	EDL	47,350	47,350
2300	ENCHANTE JEWEL	8,510	8,510
1800	ESSAR SHIPPING	52,920	52,920
25000	EVEREADY	445,000	445,000
2800	FACT ENT	28,000	28,000
6000	GEECEE VENTURES LTD.	249,600	-
19500	GOLDINFRA	284,310	284,310
81000	GOLDSTONE TECHNOLOGIES	1,097,550	1,097,550
1000	GRAPHITE INDIA	42,827	-
250	GUJRAT BOROSIL	1,752	1,752
952	GUJRAT MINERAL	37,746	37,746
1000	GULF OIL CORP	27,050	27,050
5400	HILLOCK AGRO	5,400	5,400
15000	HIMACHAL FUTURISTICS	190,100	40,050
2450	INDIA BULLS	220,745	220,745
3600	INDO ASIAN FIN	17,790	17,790
1000	INDO CASTLE	7,050	7,050
500	INDRAPRASTHA GAS	13,975	13,975
25000	INDUSIND BANK	807,500	807,500
20063	INFO DRIVE	484,522	1,983,802
500	INVICTA MEDITEK LTD.	2,745	-
1000	ISMT	20,050	20,050
100	JAISAL SECURITIES	885	885
200	KANISHK STEEL	2,856	2,856
250	KCP	28,913	28,913
1500	KHODAY INDIA	36,750	36,750
1500	KIRL FERRE 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
3200	LOKESH	63,680	63,680
150	LUMAX AUTO	2,550	2,550
2100	MANSI FINANCE	11,571	11,571
1250	MAWANA SUGARS	20,437	20,437
2500	MIDAS PHARMA	25,000	25,000
1400	MIDDAY	16,534	16,534
1000	MRPL	41,050	41,050
1000	MUNDRAPORT	323,200	323,200
100	MUNOTH FINANCIAL	583	583
52500	NATIONAL PLASTIC (ARHAM)	371,700	371,700
1000	NECLIFE	11,260	11,260
1000	NILE LTD	44,350	44,350
155	NITCO	3,642	3,642
100	NOIDATOLL	4,438	-
269450	PEETI SECURITIES	269,450	269,450
3000	PIPAVAV SHIPYARD LTD	178,440	-
7370	PONDY OXIDES	82,838	82,838
202	PRATIBHA IND	15,898	15,898
3000	PRESSURE SENSITIVE	5,730	5,730
500	PSL HOLDINGS	43,325	43,325
9300	RAJESWARI FOUNDATION	73,470	73,470
54	RANBAXY	8,942	8,942
4028	RDB INDUSTRIES	180,857	180,857
1477	REFEX REFRI	21,195	21,195
13500	RELIANCE COMM	2,266,650	-
750	RELIANCE INDUSTRIES	475,750	475,750
1000	RELIGARE TECHNOWARE	15,250	-
36	REMI METALS	253	253
14900	RISHAB FINANCIAL	35,760	35,760
30	RNRL	1,346	1,346
3339	R SYSTEMS	163,611	163,611
45000	SABERORGAN	568,800	568,800
600	SAIL	54,510	54,510
1000	SAKTHI SUGAR	22,800	22,800
1	SATYAM COMPUTERS	100	-
1500	SHASHUN CHEM	18,825	18,825
800	SHREE GANESH FORGING	6,592	6,592
1911	SOLAR EXPLOSIVES	293,899	293,899

Arihant's Securities Limited



200	SPANCO TELE	5,570	5,570
1000	SPARC	82,130	-
3988	SPARSH BPO	91,325	91,325
500	SPICEJET	6,735	6,735
300	SQL STAR	2,205	2,205
9500	STERLING HOLIDAY	267,900	267,900
4400	STL GLOBAL	880	880
1000	STONE INDIA LTD	40,608	-
500	SUB PROJECTS	23,300	23,300
2308	SUN TV	384,397	384,397
600	SURANA IND	161,718	20,115
1000	TANTIA CONS	32,500	32,500
300	THAMBI MODERN	1,380	1,380
1200	TINPLATE INDIA LTD	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
	OTHERS	865,800	-
	ADIYAMAN INVESTMENT LTD	-	17,000
	AKASH HOUSING LTD	-	4,300
	ASHAPURA MINECHEM	-	6,419
	ASHVILLE INVEST LTD	-	49,500
	ASIAN CERC	-	15,250
	BETALA GLOBAL FIN LTD	-	110,000
	BMB MUSICS AND MAG LTD	-	10,100
	CHIMIQUE LAB LTD	-	5,000
	COMPUTER POWER INDIA LTD	-	5,000
	COROMANDEL GRANITE CO LTD	-	80,900
	GANESH LEA-F INVEST LTD	-	4,600
	GOLDWON TEXTILES LTD	-	700
	GWALCHEM	-	266,240
	HARINGTON CONS	-	6,100
	INDOGERMA PRODUCT LTD	-	7,400
	INNOVA	-	2,745
	IQ INFOTECH LTD	-	10,000
	JAIBALAJI	-	396,400
	JAIN GRANITES AND PRODUCTS LTD	-	41,500
	JANZEN CAST METALS LTD	-	2,300
	JAY AGRO CHEM LTD	-	4,900
	KANORIA FLAVOURS LTD	-	13,200
	M S INVESTMENTS LTD	-	224,500
	MARUTHI IND	-	200
	MCLEODRUSS	-	129,100
	NAVEEN TEXTILES LTD	-	500
	NEW ERA	-	4,600
	NEYVELI LIGNITE	-	66,280
	NUBAL IND LTD	-	200,000
	ORIENT ORGANIC LTD	-	4,200
	P K VADUAMMAL FIN LTD	-	13,500
	PETRONET	-	388,500
	SAJJAN UDYOG	-	5,500
	SHASHUN FINANCE	-	4,200
	SHOPPERS INVT LTD	-	100
	SHREE KARTHIK PAPER MILL LTD	-	2,000
	SONARJI JEWELLRY EXP LTD	-	8,200
	SOUTH INDIA SHIPPING LTD	-	300
	SHREE JAYALAKSHMI SERV LTD	-	1,500
	SRI KRISHNA DRUGS LTD	-	2,600
	STERLING GUAR FIN LTD	-	500
	SUDSUN HOUSING	-	5,000
	TAMARI MILLS	-	45,643
	TREND EAST WEST LTD	-	1,000
	TRIBUTON EXPORTS LTD	-	2,000
	UNITY AGRO TECH LTD	-	2,400
	XS FINANCIAL SERV LTD	-	10,501
903,957	TOTAL	15,501,816	14,898,303
5970.00	Market Value	38,079,272	16,959,225
170000	UNQUOTED EQUITY SHARES		
120000	ASL CAPITAL HOLDINGS P LIMITED	1,372,000	1,372,000
200000	CEE TV ENTERTAINMENT LIMITED	2,000,000	2,000,000
200000	RAJ FINLEASE LIMITED	2,000,000	2,000,000
520,000	TOTAL	5,372,000	5,372,000
	GRAND TOTAL	20,873,816	20,270,303

Arihant's Securities Limited



SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH 2010

Schedule 7	2010	2009
Loans and Advances	Rs.	Rs.
Unsecured Considered Good Advances	3,528,517	3,000,000
Recoverable in cash or kind in value to be received	-	-
Considered Doubtful	2,451,174	2,451,174
Less : Provision for doubtful Debts	2,451,174	2,451,174
	3,528,517	3,000,000
Advances	5,409,250	7,774,354
Tax Deducted at Source	198,634	198,271
	9,136,401	10,972,624
Schedule 8		
Sundry Creditors		
Sundry Creditors	3,988,839	7,035,855
	3,988,839	7,035,855
Schedule 9		
Provisions		
Provision for Expenses	25,000	
Provision for Tax	273,379	54,624
	298,379	54,624

SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

Schedule 10	2009-2010	2008-2009
Other Administrative Expenses	Rs.	Rs.
Advt Expenses	37,650	21,975
AGM Expenses	7,560	912
Audit Fees	20,000	5,000
Bank Charges	500	7,095
Depository Charges	12,600	4,495
Interest	153,123	-
Legal and Professional fees	73,455	186,750
Membership and Subscription fees	34,531	33,716
Miscellaneous Expenses	73,921	64,615
Rent	-	75,000
Printing and Stationery	12,500	13,800
Salaries	273,026	251,650
	698,866	665,008



Schedule -11

2010

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.

Schedule -12

2010

Notes attached to and forming part of accounts for the year ended and as at 31st March 2010

1. The company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.
2. **Fixed Assets Depreciation**
Fixed assets have been depreciated in accordance with Section 205 (2) (d) of the Companies Act, 1956.
3. Loans and Advances are unsecured and those considered doubtful have been fully provided for
4. Provisioning is done as per the prudential norms prescribed by the Reserve Bank of India.
5. Advances include Rs. 50,00,000/- towards Property advance.
6. Investments Rs. 9,00,000/- represents Land at Sriperumbudur
7. Payment to Auditors

	2009-10	2008-09
Audit Fee	10,000	5,000
Certification Fee	10,000	-
8. **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"
9. Directors' Remuneration - Nil
10. Expenditure in foreign currency - Nil
11. Earnings in foreign currency - Nil
12. There are no amounts due to Small Scale Industries in terms of "Micro, Small and Medium Enterprises Development Act, 2006"
13. According to the information and explanations given to us, no impairment of assets is necessary.
14. **Revenue Recognition:**
 - a. Revenue from purchase and sale of shares by the Share Segment of the company are recorded on cash basis.
 - b. Interest income earned by the Loan Segment is recorded on accrual basis.
 - c. Dividends are recorded when the right to receive payment is established.
15. **Accounting for Leases:**
Rentals are expensed with reference to the lease terms and other considerations.

Arihant's Securities Limited



16.	Employee Benefits: According to Accounting Standard 15 on "Employee Benefits", Short term employee benefits for services rendered by the employees are recognized during the period when the services are rendered.		
17.	Segment Reporting : As per Accounting Standard 17 on "Segment Reporting", Segment information has been provided in the annexure to the Financial Statements		
18.	Disclosure of loans and advances / Investments in its own shares by the company , their subsidiaries , associates, etc.,		
	Particulars	2009-10	2008-09
	a. Investments made during the year:		
	Own Shares	---	---
	Subsidiary	---	---
	Associate	---	---
	b. Loans taken during the year:		
	Own Shares	---	---
	Subsidiary	---	---
	Associate	---	---
	c. Loans repaid during the year:		
	Own Shares	---	---
	Subsidiary	---	---
	Associate	---	---
	d. Loans and Advances granted		
	Own Shares	---	---
	Subsidiary	---	---
	Associate	---	---
	e. Loans and advances recovered		
	During the year:		
	Own Shares	---	---
	Subsidiary	---	---
	Associate	---	---
	f. Closing Balance (Dr. / Cr.)		
	Own Shares	---	---
	Subsidiary	---	---
	Associate	---	---
19.	There are loans and advances in the nature of loans where there is no repayment schedule or repayment beyond seven years		
	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: (Rs. In Lakhs)		
	Transactions	Associate Concern	KMP
	1. Purchase	152.85	-
	2. Sales	130.46	-
	3. Balance as on 31.03.10	26.69	-
	4. Bad Debts	Nil	-
20.	Earnings Per Share:	2009-10	2008-09
	a. Profit/(Loss) for the year 2009-10	15, 07,292	(61, 19,633)
	b. No. Of Equity Shares of Face Value of Rs. 10/- Outstanding (in Number)	50, 00,000	50, 00,000
	c. Basic and Diluted Earnings per share (a/b) (Rs.)	0 .30	(1.22)
22.	The details of Deferred Tax Asset / Liability are as follows;	31.03.10	31.03.09
	I. Deferred Tax Asset:		
	a. Provision for Investments / Non Performing Assets, etc.,	---	---
	b. Income deferment on Non Performing Assets	---	---
	c. Depreciation	1630	---
	d. Other Timing Differences	---	---
	II. Deferred Tax Liability:		
	a. Depreciation	---	---
	b. Others	---	---
22.	Previous year's figures have been regrouped, rearranged and reclassified wherever found necessary.		

vide our report even date
For N.R. KRISHNAMOORTHY & CO.,
Chartered Accountants.
Sd/-
N.R. KRISHNAMOORTHY,
Partner
Membership No. : 020638
FRN : 001492S
Place: Chennai
Date: 29.05.2010

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



CASH FLOW STATEMENT

	Current Year Rs.	Previous Year Rs.
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary items	1,690,662	(5,797,689)
Adjustments for :		
Add : NPA Provisions	-	(2,474,369)
Add : Depreciation	6,690	4,984
	1,697,352	(8,267,074)
Less : Other Income	29,735	77,974
Operating Profit before working capital changes	1,667,617	(8,345,048)
Adjustments for :		
Add : Decrease in Current Assets	1,641,960	49,047,896
	3,309,578	40,702,848
Add : Increase in Current Liabilities	-	(40,535,737)
	3,309,578	167,111
Less : Decrease in Current Liabilities	2,988,262	-
Cash generated from Operations	321,315	167,111
Add : Other Income	29,735	77,974
Net Cash from Operating Activities	351,050	245,085
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase/Sale of Fixed Assets	-	-
Purchase/Sale of Investments	-	-
Net Cash used for Investing Activities	-	-
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	-	-
Secured or Unsecured Loans taken	-	-
Net Cash from Financing Activities	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	351,050	245,085
Cash & Cash Equivalents as at 01.04.2009	418,728	173,643
Cash & Cash Equivalents as at 31.03.2010	769,778	418,728

vide our report even date
 For N.R. KRISHNAMOORTHY & CO.,
 Chartered Accountants.
 Sd/-
 N.R. KRISHNAMOORTHY,
 Partner
 Membership No. : 020638
 FRN : 001492S
 Place: Chennai
 Date: 29.05.2010

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

Arihant's Securities Limited



SCHEDULE TO THE BALANCE SHEET AS AT 31-03-2010

(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
	LIABILITIES :		
I	Loans and Advances availed by the Non-banking financial company inclusive of interest accrued thereon but not paid		
	a) Debentures : Secured		
	Unsecured	-	-
	b) Deferred Credits	-	-
	c) Term Loans	-	-
	d) Inter-Corporate loans and borrowings	-	-
	e) Commercial Paper	-	-
	f) Other loans	-	-
	Assets		
II	Break-up of Loans and Advances including bills receivables		
	a. Secured	-	-
	b. Unsecured	5,979,691	-
III	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
	i. Lease assets including lease rentals under sundry 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 otherthan (a) above	-	-
IV	Break-up of Investments:		
	Current Investments		
	1. Quoted		
	i. Shares (a) Equity	-	-
	(b) Preference	-	-
	ii. Debentures and Bonds	-	-
	iii. Units of mutual funds	-	-
	iv. Government Securities	-	-
	v. Others	-	-
	2. Unquoted		
	i. Shares (a) Equity	-	-
	(b) Preference	-	-
	ii. Debentures and Bonds	-	-
	iii. Units of mutual funds	-	-
	iv. Government Securities	-	-
	v. Others	-	-
	Long term investments:		
	1. Quoted		
	i. Shares (a) Equity	-	-
	(b) Preference	-	-
	ii. Debentures and Bonds	-	-
	iii. Units of mutual funds	-	-
	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 funds	-	-	
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	-	-	-
d. Other than related parties	-	3,528,517	3,528,517
Total	-	3,528,517	3,528,517
VI. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)			
Category	Market Value / Fair Value / NAV	Book Value (Net of Prov)	
1. Related Parties			
a. Subsidiaries	-	-	
b. Companies in the same group	-	-	
c. Other related parties	-	-	
d. Other than related parties	900,000	900,000	
Total	900,000	900,000	
VII. Other Information			
Particulars		Amount	
i. Gross Non-Performing Assets			
a. Related Parties		-	
b. Other than Related Parties		2,451,174	
ii. Net-Performing Assets			
a. Related Parties		-	
b. Other than Related Parties		-	
iii. Assets acquired in satisfaction of debt		-	

vide our report even date
For N.R. KRISHNAMOORTHY & CO.,
Chartered Accountants.
Sd/-
N.R. KRISHNAMOORTHY,
Partner
Membership No. : 020638
FRN : 001492S
Place: Chennai
Date: 29.05.2010

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

Arihant's Securities Limited



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

(Rs. in Lakhs)

Sl. No.	Particulars	Year ended 31.03.10	Year ended 31.03.09
1	Segment Revenue		
	a. Loans	3.75	4.28
	b. Trading of Shares	21.10	-77.24
	Total	24.85	-72.96
	Less: Intersegment revenue	-	-
	Net Sales / Income from Operations	24.85	-72.96
2	Segment Results		
	Profit(+)/Loss(-) before Tax and Interest from each segment		
	a. Loans	3.75	4.28
	b. Trading of Shares	20.21	-78.98
	Total	23.96	-74.7
	Less:(i) Interest	-	0
	(ii) Other Unallocable expenditure net of Unallocable Income	6.99	-16.72
	Total Profit before Tax	16.97	-57.98
3	Capital Employed (Segment Assets - Segment Liabilities)		
	a. Loans	35.29	30.00
	b. Trading of Shares	182.05	226.14
	c. Others		-
	Total	217.34	256.14

NOTES:

- The above audited financial results were taken on record at the Board Meeting of the Company held on 29th May, 2010
- Status of Investor Compliants for the quarter ended 31.03.2010

Number of Compliants			
Pending As At 01.01.2010	Received during the Quarter	Attended To During the Quarter	Pending As At 31.03.2010
Nil	Nil	Nil	Nil

For and on behalf of the Board of Directors

Sd/-
NISHIKANTH CHOUDHARY
Managing Director

Place: Chennai
Date: 29.05.2010



ARIHANT'S SECURITIES LTD.

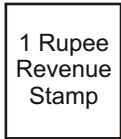
Registered Office : No.138,Dr.Radhakrishnan Salai, Mylapore, Chennai - 600004.

PROXY FORM

I/We
of
being member(s) of Arihant's Securities Ltd. hereby appoint
of or
failing him / her
as my/our proxy to attend and vote for me/us on my/our behalf at the Sixteenth Annual General Meeting of the Company held on Tuesday, September 28th, 2010 at 9.30 a.m. at the Registered Office of the Company at No. 138, Dr.Radhakrishnan Salai, Mylapore, Chennai - 600004, and /or any adjournment thereof.

Signed this day of2010

Signature



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

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

ARIHANT'S SECURITIES LTD.

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

ATTENDANCE SLIP

PARTICULARS TO BE FILLED IN BY THE MEMBER:

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

I hereby record my presence at the Sixteenth Annual General Meeting held on Tuesday, September 28th, 2010 at 9.30 a.m. at the Registered Office of the Company at No.138, Dr.Radhakrishnan Salai, Mylapore, Chennai - 600004.

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

Signature of Member / Proxy

Book - Post

If undelivered Please return to :

Arihant's Securities Limited

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