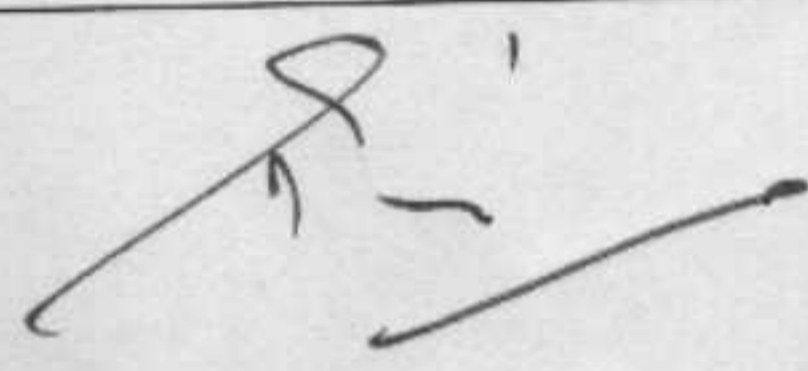
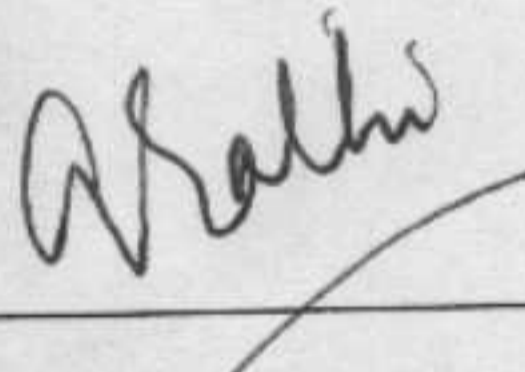
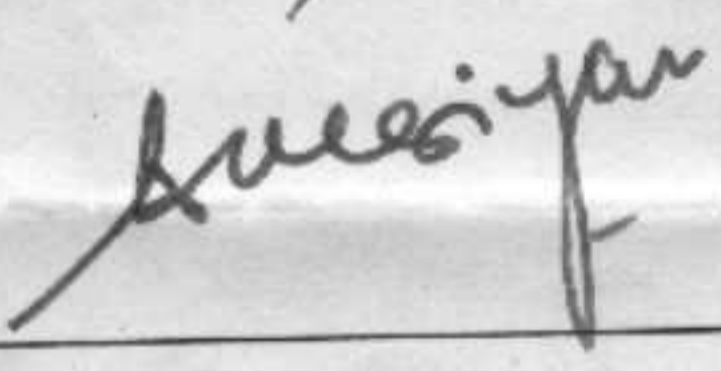



May 29, 2015

FORM A

(Pursuant to Clause 31(a) of the Listing Agreement)

1	Name Of Company	ARIHANT CAPITAL MARKETS LTD.
2	Annual Financial Statement for the year ended	31 st March, 2015
3	Type of Audit Observation	Un-qualified
4	Frequency of Audit observation	N.A.
5	Signature	
	Ashok Kumar Jain Chairman & Managing Director	
	Akhilesh Rathi Chairman of Audit Committee	
	Ajay Tulsyan Auditor of The Company	
	Tarun Goyal Chief Financial Officer	

Serving
customers in
the economy
the world is
looking at.

The right
ECONOMY

The right
MARKETS

The right
MODEL





CHAIRMAN'S MESSAGE

Dear Shareholders,

It gives me immense pleasure to present to you the Annual Report and Financial Statements for the financial year ended 31st March 2015 of your Company.

FY 2015 turned out to be a remarkable year for your Company. The dedication and commitment of our team members towards making financial products understandable and reachable to all continues to be our motto that drives us.

With the sweeping victory of Shri Narendra Modi led BJP government, there was renewed optimism in India's growth story and re-engagement of retail investors in the markets. Additionally, there was a rampant surge in inflows by foreign institutional investors in FY2015.

The government has taken several important steps in the direction of sustainable economic revival and growth including policy initiatives; focus on improving governance and enhancing the ease of doing business. All these measures demonstrate the government's commitment towards a prosperous and powerful India.

Globally, a considerable decline in commodity prices, particularly crude, augured well for the government for fiscal consolidation. India's external fundamentals also improved, with the Current Account Deficit being estimated at 1.3% of GDP in FY15. With price pressures easing, the Reserve Bank of India (RBI) also started easing monetary policy resulting in lower lending rates.

Global institutions like the IMF, OECD are also predicting better growth potential thus bringing India back on the global radar. Investors globally pumped in money in the Indian equities during the year that led to a great performance by Indian bourses.

The positive investor sentiment led to a rise in volumes on exchanges that augured well for your Company's growth. Our strategies of strengthening our franchisee network, offering diverse range of financial products, upgrading our processes and putting a robust risk management framework in place have all worked well.

We believe, the encouraging initiatives taken by the Government is likely to keep the Indian economy as a sweet spot for domestic and foreign investors and your Company is ready to seize the opportunity for the next leg of growth. However there may be some headwinds as the global growth is still fragile. There are also concerns over tightening of monetary policy by the US Fed as their economy has rebounded. Any such measure may have a knee-jerk reaction that may lead to fund outflows from India.

As an optimist by nature, I continue to believe in the growth story of India and I am very positive about FY2016 and the years ahead. There are many reasons to be optimistic about the future of your Company:

- In the coming year, our focus will be on technological upgradation, offering enhanced mobile and online solutions to clients and increasing our reach.
- We plan to diversify to enable us to de-risk our business model from the inherent vagaries of the stock market.
- We continue to expand our capabilities thereby moving beyond a just a brokerage house and focusing on offering value added advisory services to clients to help them meet their financial goals.

Finally, I sincerely thank you for your continued support and patronage and solicit the same in future to take your Company to scale new heights.

Ashok Kumar Jain
Chairman & Managing Director

Company Information

Mr. Ashok Kumar Jain
(Chairman and Managing Director)

Mrs. Anita Surendra Gandhi
(Whole-Time Director)

Mr. Sunil Kumar Jain
Mr. Akhilesh Rathi
Mr. Rakesh Jain
Mr. Pankaj Kumar Gupta
Mr. Parag Rameshbhai Shah

Mr. Mahesh Pancholi
Company Secretary

Mr. Tarun Goyal
Chief Financial Officer

AUDITORS

M/s Arora, Banthia & Tulsian
Chartered Accountants
6th Floor, Silver Arc Plaza, 20/1 New Palasia,
Indore -452 001 (M.P.)
Tel: +91-731-2534318, Fax: +91-731-2433519

REGISTERED OFFICE

E/5 Ratlam Kothi Area, Indore - 452 001 (M.P.)
Tel: +91-731-2519610, Fax: +91-731-3048915

CORPORATE OFFICE

1011, Solitaire Corporate Park,
Building No.10,1st Floor, Andheri Ghatkopar Link
Road, Chakala, Andheri (East),Mumbai - 93 India
B. +91. 22. 42254800 F. +91. 22. 42254880

ADMINISTRATIVE OFFICE

6, Lad Colony, Y.N. Road, Indore - 452 001 (M.P.)
Tel: +91-731-4217100, Fax: +91-731-3016199

REGISTRAR & TRANSFER AGENT

Ankit Consultancy Private Limited
Plot No. 60, Electronic Complex,
Pardeshipura, Indore – 452 010 (M.P.)
Tel: +91-731-2551745
fax: +91-731-4065798

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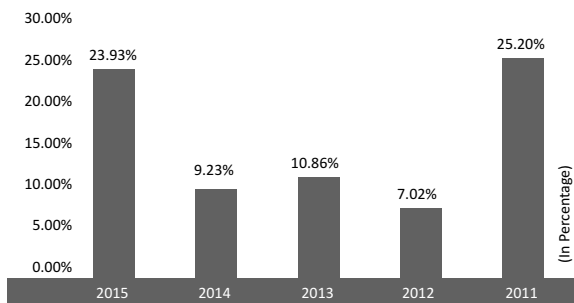
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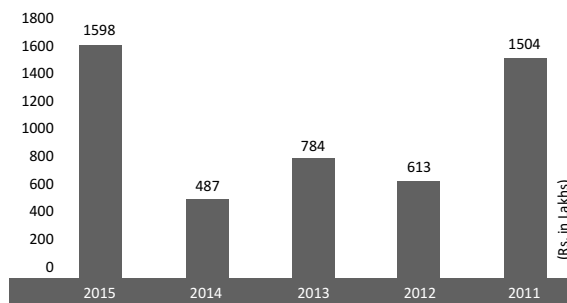


PERFORMANCE HIGHLIGHTS

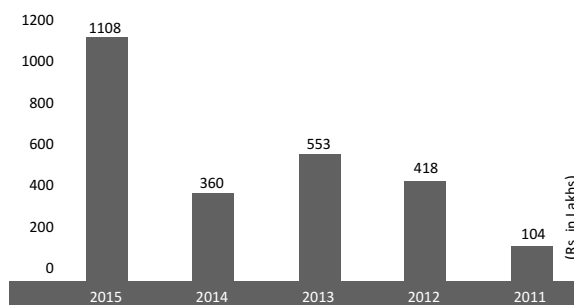
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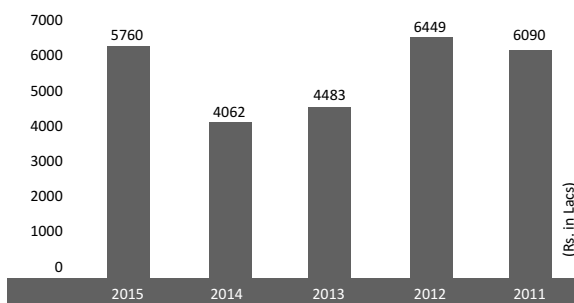
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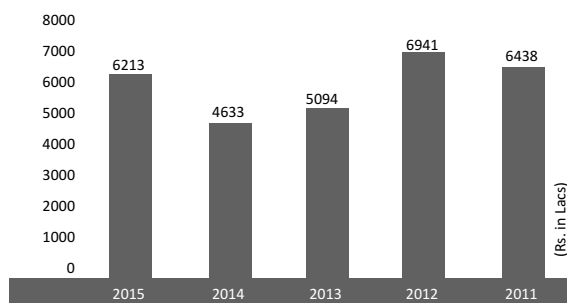
PAT



Gross Sales



Total Income





Notice

Notice is hereby given that the Twenty Third Annual General Meeting (AGM) of the members of Arihant Capital Markets Limited will be held on **Saturday, 8th August 2015 at 12:30 p.m.** at Sayaji Hotels Ltd., H/1, Scheme No. 54, Vijay Nagar, Indore – 452 001 (M.P.), to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt:
 - (a) The audited balance statement of the company for the financial year ended March 31, 2015, the Reports of the Board of Directors and Auditors thereon; and
 - (b) The audited consolidated financial statements of the company for the financial year ended March 31, 2015.
2. To declare a dividend on equity shares for the year 2014-15.
3. To appoint a director in place of Mr. Ashok Kumar Jain (DIN: 00184729), who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of the sections 139 to 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors), Rules 2014 (Including any statutory modification(s) or re-enactment thereof, for the time being in force) M/s Arora, Banthia & Tulsiyan, Chartered Accountants (Firm registration no. 007028C), be and are hereby re-appointed as Auditors of the Company, to hold office from the conclusion of this AGM until the conclusion of the next AGM of the Company, on such remuneration as agreed upon by the Board of Directors and Auditors, in addition to the reimbursement of service tax and actual out of pocket expenses incurred in connection with the audit of accounts of the Company for the financial year ending March 31, 2016.”

SPECIAL BUSINESS

5. **RE-APPOINTMENT OF MRS. ANITA S. GANDHI AS A WHOLE TIME DIRECTOR OF THE COMPANY:**

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

“RESOLVED THAT subject to the provisions of Sections 196, 197, 203 and all other applicable provisions of the Companies Act, 2013 (the Act) (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V of the Act and subject to such approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities in granting such approvals, permissions and sanctions, approval of the Company be and is hereby accorded for the re-appointment of **Mrs. Anita Surendra Gandhi**, Whole Time Director of the Company for a period of one year with effect from 1st February, 2015.

RESOLVED FURTHER THAT the salary and perquisites (including allowances) payable or allowable to the Whole Time Director be as follows:

Basic Salary: ₹ 1,90,000 per month.

Housing: Furnished/Unfurnished accommodation or House Rent Allowance in lieu thereof not exceeding 40% of the Basic salary.

Conveyance: Company will reimburse actual conveyance and traveling expenses incurred.

Performance Pay: Such amount as may be determined by the Nomination and Remuneration Committee, not exceeding 2 times of the basic salary.

Mrs. Gandhi prior to her appointment as Whole Time Director in the Company, in her capacity as an employee of the Company shall be eligible for Stock Options, as and when the event happens.

Provided that the remuneration payable by way of salary, perquisites, performance pay, other allowances and benefits does not exceed the limits laid down in Section 197 of the Companies Act, 2013, including any statutory modifications or re-enactment thereof.



RESOLVED FURTHER THAT notwithstanding anything herein, where in any financial year during the tenure of the Whole Time Director, the Company has no profits or its profits are inadequate, the Company may pay to the Whole Time Director, the above remuneration as the minimum remuneration for a period not exceeding one year by way of salary, perquisites, performance pay, other allowances and benefits as specified above subject to receipt of the requisite approvals, if any.

RESOLVED FURTHER THAT the nature of employment of the Whole Time Director with the Company shall be contractual and services can be discontinued by giving one month's notice from either party.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include Nomination and Remuneration Committee thereof, for the time being exercising the powers conferred on the Board by this Resolution) be and is hereby authorized to vary, increase, enhance, or widen from time to time the terms of appointment and remuneration of the Whole Time Director and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient.

RESOLVED FURTHER THAT Mrs. Anita S. Gandhi shall not be entitled to any sitting fees for attending meetings of the Board and/or Committee of Directors her office shall be liable to determination by retirement of Directors by rotation."

6. **RE-APPOINTMENT OF MR. ASHOK KUMAR JAIN AS A MANAGING DIRECTOR OF THE COMPANY:**

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the companies act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the company and subject to the approval of Central Govt. or other Govt. Authority /agency / board, if any, the consent of the members of the company be and is hereby accorded to re-appointment of Mr. Ashok Kumar Jain as a Chairman and Managing Director of the Company for a period of three years with effect from 1st August 2015 to 31st July 2018, on the terms and conditions and remuneration as set out in the agreement entered into between the Company and Mr. Ashok Kumar Jain, a copy whereof is placed before the meeting duly initialed for the purpose of identification, which agreement is hereby specifically approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement (including authority, from time to time, to determine the amount of salary and variable pay as also the type and amount of perquisites and other benefits payable to Mr. Ashok Kumar Jain), in such manner as may be agreed to between the Board of Directors and Mr. Ashok Kumar Jain.

Provided however that the remuneration payable to Mr. Ashok Kumar Jain shall not exceed the limits specified in the said agreement as also the limits prescribed under schedule V to the Companies Act, 2013, including any amendment, modification, variation or re-enactment thereof;

FURTHER RESOLVED THAT in the event of loss or inadequacy of profits in any financial year, the Company subject to requisite approvals, may pay to Managing Director, by way remuneration including commission, perquisites and allowances which shall not exceed the amount as may be agreed and decided by the Board of Directors of the Company.

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem desirable, necessary, expedient, usual or proper to implement this resolution.



FURTHER RESOLVED THAT Mr. Ashok Kumar Jain shall not be subject to retirement by rotation as per Article 147 of the Articles of Association of the company during his tenure as Chairman and Managing Director. However, due to compulsion of provisions of the Companies Act, 2013, if he has to retire by rotation and re-elected, then such re-appointment of the Managing Director of the company due to retirement by rotation shall not constitute a break in his office as a Managing Director of the company.

FURTHER RESOLVED THAT on the recommendation of the Remuneration Committee, the Board of Directors do hereby approve re-appointment of Mr. Ashok Kumar Jain as Managing Director for a further period of three years with effect from 1st August 2015, subject to the approval of the shareholders in the AGM on the following material terms and conditions of the agreement as follows:

- a) **Duties and Responsibility:** Subject to the superintendence, control and overall direction of the Board of directors of the company, the Managing Director shall have the power of general conduct and management of the whole of business and affairs of the company except in the matter which may be specifically required to be done by the board either as per the provisions of the Companies act, 2013 or by the articles of association of the company and the managing director shall also exercise and perform such powers and duties as the board of the directors of the company may from time to time determine and shall also do and perform all other acts and things which in the ordinary course of business he may be consider necessary or proper or in the interest of the company.
- b) **Period of Agreement:** Three years from August 1, 2015 to July 31, 2018.
- c) **Remuneration:** ₹ 4 Lacs per month.
Managerial Remuneration shall not include:
 - i. Contribution to Provident Fund/Superannuation or Annuity Fund
 - ii. Gratuity payable
 - iii. Leave encasement
- d) **Commission:** He shall be paid commission on the net profit (subject to a maximum of 10%) as may be determined by the Board or Committee thereof from time to time, subject to maximum remuneration permissible of The Companies Act, 2013, or Schedule V thereto as may be applicable.
- e) **Other terms and conditions, including perquisites:** As laid down in the agreement.
- f) **Reimbursements:** The Managing Director shall be entitled to reimbursement of all actual expenses or charges including travel, entertainment or other out-of-pocket expenses incurred by him for and on behalf of the Company, in furtherance of its business and objects.
- g) The terms and conditions of the said appointment may be altered, enhanced or varied from time to time by the Board as it may, in its discretion, deem fit.
- h) **Termination:** The aforesaid appointments are subject to termination with 3 months notice from either side.
- i) For the purposes of calculating the value of perquisites, the same shall be evaluated as per Income Tax Rules, 1962, wherever applicable or at actual cost.
- j) The Managing Director shall not be entitled to receive any fees for attending meetings of the Board/Committee."



7. **ADOPTION OF NEW ARTICLES OF ASSOCIATION OF THE COMPANY CONTAINING REGULATIONS IN THE CONFORMITY WITH THE COMPANIES ACT, 2013.**

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

“RESOLVED THAT pursuant to the provisions of Section 5, 14 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), rules and regulations made there under, the enabling provisions of the memorandum and articles of associations of the company and subject to the requisite approvals, consents, permissions, and/or sanctioned as may be required, if any, the draft regulations contained in the Articles of Association submitted to this meeting and duly initialed be and hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.”

8. **INCREASE IN BORROWING POWERS IN TERMS OF SECTION 180 (1) (c) OF THE COMPANIES ACT, 2013.**

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

“RESOLVED THAT Subject to the provisions of Section 180(1)(c) and other applicable provisions if any of the Companies Act, 2013, and other applicable provisions and relevant rules made thereto, and statutory modifications and re-enactment thereof and in suppression of all the earlier resolutions passed in this regard, consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow from time to time, for the purpose of the Company’s business, such sum or sums of money, as they in their absolute discretion think fit, notwithstanding that the monies so borrowed together with the monies already borrowed by the Company and remaining outstanding shall be in excess of the aggregate of the paid-up share capital and free reserves, but not exceeding ₹ 100 Crore (Rupees One Hundred Crore only) over and above the paid up share capital and free reserves for the time being of the Company.”

9. **CREATION OF CHARGE / MORTGAGE ETC. ON COMPANY’S MOVABLE OR IMMOVABLE PROPERTIES IN TERMS OF SECTION 180 (1) (a) OF THE COMPANIES ACT, 2013.**

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

“RESOLVED THAT Subject to the provisions of Section 180(1)(a) and other applicable provisions if any of the Companies Act, 2013, and other applicable provisions and relevant rules made thereto, and statutory modifications and re-enactment thereof and in suppression of all the earlier resolutions passed in this regard, consent of the Company be and is hereby accorded and authorizes Board of Directors, for mortgaging and/or charging in such form and manner and on such terms and at such time(s) as the Board of Directors may deem fit, the movable and / or immovable assets and properties of the Company, wherever situated, present and future, whether presently belonging to the Company or not, in favour of any person including, but not limited to, financial / investment institution(s), bank(s), insurance company(ies), mutual fund(s), corporate body(ies), trustee(s) to secure the loans, borrowings, debentures, hire purchase and / or working capital facilities and other credit facilities up to a sum not exceeding ₹ 100 Crore (One Hundred Crore Rupees Only).

RESOLVED FURTHER THAT the Board of Directors or such Committee or person/(s) as may be authorized by the Board be and is hereby authorized to do all such acts, deeds and things and to sign all such documents and writings as may be necessary, expedient and incidental thereto to give effect to this resolution and for matters connected therewith or incidental thereto and for reserving the aforesaid right and for performing all such acts and things as may be necessary for giving effect to this resolution.”

By the order of the Board of Directors

Mahesh Pancholi
(Company Secretary)
M. No. F7143

Place: Indore
Dated: 29th May, 2015



Notes

1. A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend the meeting and poll/vote on his/her behalf. The proxy need not be a member of the Company. The instrument appointing the proxy, however in order to be effective, should be deposited at the registered office of the Company not less than 48 hours before the meeting.
2. An explanatory statement pursuant to Section 102 of the Companies Act, 2013, in respect of item no. 5 to 9 of the notice as set out above, is annexed hereto.
3. The register of members and share transfer books of the Company will remain closed from Saturday, 1st August 2015 to Saturday, 8th August 2015 (both days inclusive) in connection with the AGM and for the purpose of payment of dividend, if approved by the members.
4. The dividend as recommended by the Board, if declared at the meeting, will be paid on or after 14th August 2015 to those members:
 - a) whose names appeared as beneficial owners as at the end of 31st July 2015 as per the list to be furnished by Depositories in respect of shares held in electronic form; and
 - b) whose names appeared as members in register of the members of the Company after giving effect of valid transfer in physical form, which are lodged with company/registrar and share transfer agent on or before 31st July 2015 as per the list to be furnished by registrar in respect of shares held in physical form.
5. In all correspondence with the company members are requested to quote their folio number and in case shares are held in electronic form, they should quote Client ID and DP ID Number.
6. The register of Directors' and Key Managerial Personnel and their shareholding maintained under section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
7. The register of Contracts or Arrangements in which the Directors are interested, maintained u/s 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
8. Members who hold shares in dematerialized form are requested to inform their Client ID and DP ID number for easier identification for attendance at the meeting.
9. Shareholders who are still holding physical share certificate(s) are advised to dematerialize their shareholding to avail benefit of dematerialization.
10. Members desiring to have any information on accounts are requested to write to the Company at least 7 days in advance before the date of the meeting so as to enable the management to keep the information ready. Replies will be provided only at the meeting. The shareholders are requested to write to the company secretary or to the registrar and share transfer agent, M/s Ankit Consultancy Private Limited, regarding transfer of shares and for resolving grievances, if any.
11. Members are requested to notify any changes in their address/bank mandate to their respective depository participants (DPs) in respect of their electronic share accounts and to the registrar and share transfer agent of the Company, in respect of their physical shares folio, at:
Ankit Consultancy Pvt. Ltd.
Plot No. 60 Electronic Complex, Pardeshipura,
Indore-452010, (M.P.)
12. Members who are holding physical shares in more than one folio are requested to intimate to the Company/registrar and share transfer agent the details of all their folio numbers for consolidation into single folio.
13. Members/Proxies are requested to bring their copy of annual report to the meeting with the attendance slip, duly filled in, for attending the meeting.
14. Corporate members intending to send their authorized representatives to attend the AGM are advised to send a duly certified copy of the board resolution authorizing their representatives to attend and vote at the meeting.



15. Pursuant to the requirements on corporate governance under Clause 49 of listing agreements entered into with stock exchanges, the information about directors proposed to be appointed/re-appointed is given in the annexure to the notice.
16. Dividend for the financial year ended 31st March 2008, which remains unclaimed or unpaid, will be due for transfer to the Investor Education and Protection Fund of the Central Government, pursuant to the provision of Section 124 of the Companies Act, 2013, on 31st October 2015. Members, who have not yet encashed their dividend warrants for the financial year ended 31st March 2008 or any subsequent financial years are requested to lodge their claims with the Company/ Ankit Consultancy Pvt. Ltd., without delay. Members are advised that no claims shall lie against the said fund or against the Company for the amounts of dividend so transferred to the said fund.
17. All documents referred to in the notice and explanatory statement will be available for inspection by the members at the registered office of the Company between 10:00 a.m. and 5:00 p.m. on all working days from the date hereof up to the date of meeting.
18. The Notice of the AGM along with the Annual Report 2014-15 is being sent by electronic mode to those members whose email addresses are registered with the company or the Depositories, unless any member has requested for a physical copy of the same. For members who have not registered their email addresses, physical copies are being sent by the permitted mode. To support the "Green Initiative", the members who have not registered their email addresses are requested to register the same with Registrar of the Company/Depositories.

Shareholder **Instructions for E-Voting**

Pursuant to section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (management and administration) Rules, 2014, as amended from time to time, the company is pleased to provide its members the facility of 'e-voting' to exercise their right to vote at the 23rd Annual General Meeting (AGM). The business may be transacted through e-voting services rendered by Central Depository Services (India) Ltd. (CDSL).

The facility for voting either through electronic voting system or through ballot / polling paper shall also be made available at the venue of the 23rd AGM. The members attending the meeting who have not already cast their vote through e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The company has appointed Mr. Rajesh Lohia, Practicing Company Secretary as the scrutinizer for conducting the e-voting and the voting process at the AGM in a fair and transparent manner.

The Instructions for shareholders voting through electronic means:

- (i) The e-voting period begins on Wednesday, August 5, 2015 from 10.00 a.m. and ends on Friday, August 7, 2015 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 01/08/2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5.00 p.m. on August 7, 2015.
- (ii) Members holding shares in physical or in demat form as on August 1, 2015 shall only be eligible for e-voting.
- (iii) The shareholders should log on to the e-voting website **www.evotingindia.com** during the voting period.
- (iv) Click on "Shareholders" tab.
- (v) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (vi) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.



- (vii) Next enter the Image Verification as displayed and Click on Login.
- (viii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (ix) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (x) After entering these details appropriately, click on “SUBMIT” tab.
- (xi) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xiii) Click on the EVSN for the relevant <company name> on which you choose to vote.
- (xiv) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xvi) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xviii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xix) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xx) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.



- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

Annexure to **Notice**

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 102 OF THE COMPANIES ACT, 2013 ('THE ACT').

Item No. 5

Mrs. Anita Surendra Gandhi has a wide experience in the field of finance including corporate finance, primary market and secondary market research. She was actively involved in the financial affairs of the company including working capital arrangements, term loan syndication, commercial paper placements, credit rating of the company and public issue of the Company. She is a member of The Institute of Chartered Accountants of India and a member of The Institute of Cost and Works Accountants of India.

The Board, subject to requisite approvals and in accordance with the recommendations of the remuneration committee, approved the re-appointment and remuneration payable to Mrs. Gandhi for a period of one year from 1st February, 2015.

The Board is of the view that the knowledge and experience of Mrs. Gandhi will be beneficial and valuable to the Company, and therefore, recommends her re-appointment as Whole-Time Director of your Company.

Your Directors recommend this resolution as an ordinary resolution for approval of the members.

A brief profile of Mrs. Anita S. Gandhi is enclosed at the end of this notice.

Apart from Mrs. Anita Surendra Gandhi, no other Director is deemed to be concerned or interested in this item of business.

Item No. 6

Mr. Ashok Kumar Jain is one of the promoters and founder of the Company. Considering the overall performance and growth of the company under his dynamic leadership and based on the recommendation of the remuneration committee, the board of directors has approved the re-appointment of Mr. Ashok Kumar Jain as Managing Director of the Company for a further period of three years with effect from 1st August 2015, subject to the approval of the shareholders in a AGM. The terms of appointment, including remuneration, have also been approved by the remuneration committee of the Company. The material terms and conditions of the agreement are as follows:

1. The Managing Director shall, subject to the supervision and control of the Board of Directors; carry out such duties as may be entrusted to him by the Directors and shall exercise such powers as are delegated to him by the Board of Directors.
2. Period of Agreement: Three years from August 1, 2015 to July 31, 2018.
3. Remuneration :
 - a) Basic Salary: ₹ 4 lacs per month.
 - b) Managerial Remuneration shall not include:
 - i. Contribution to Provident Fund/Superannuation or Annuity Fund
 - ii. Gratuity payable
 - iii. Leave encashment



Except Mr. Ashok Kumar Jain and Mr. Sunil Kumar Jain, none of the other Directors is interested in this resolution. A brief profile of Mr. Ashok Kumar Jain is enclosed at the end of this notice.

Item No. 7

The existing Article of Association (here in after referred as “Articles”) of the Company are based on the Companies Act, 1956, and several regulations in the existing Articles contain reference to the sections of the Companies Act, 1956. Some regulations in the existing Articles are no longer in conformity with the provisions of the Companies Act, 2013 (the “Act”).

With the enactment of the Companies Act, 2013, several regulations of the existing Articles of the Company require alteration and/or deletion. In the consequences of the enactments in the Act, it is considered expedient to wholly replace the existing Articles by a new set of Articles.

The draft Article shall be open for inspection by the Members at the registered office of the Company on all working days in office hours upto the date of Annual General Meeting.

None of the Directors or key managerial personnel of the Company or the relatives is concerned or interested, financially or otherwise, in the said resolution.

Item No. 8

The Board of Directors of the Company envisage requirements of funds in future, hence it is proposed to empower and authorize the Board of Directors of the Company to borrow money from any Bank(s), Financial Institutions (FIs), Bodies Corporate or Business Associates etc., in excess of paid up capital and free reserves of the Company by a sum not exceeding ₹100 crore (one hundred crore) for the purposes of business activities of the Company. As per Section 180(1)(c) of the Companies Act, 2013, borrowings apart from temporary loans obtained from Company’s bankers in the ordinary course of business by the Company beyond the aggregate of the paid up capital of the company and its free reserve requires approval from the shareholders of the Company.

The shareholders of the Company had by way of special resolution passed in previous Annual General Meetings authorized the Board of Directors to borrow monies (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business) from time to time on behalf of the Company not exceeding upto the existing limit, for the business of the company. However, keeping in view of enhanced requirement of loan and also the legal requirement that Section 180(1)(c) of the Companies Act, 2013 provides that the Board of Directors of a company shall exercise the said power only with the consent of the Company by a special resolution. Hence, the Special Resolution at Resolution No. 8 for authorizing the Board of Directors to borrow monies (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business) from time to time on behalf of the Company not exceeding ₹100 crore is intended for this purpose.

The Directors recommends the resolution for members' approval as a Special Resolution.

None of the Directors or Key managerial personnel of the Company or the relatives is concerned or interested, financially or otherwise, in the said resolution.

Item No. 9

In term of provision of Section 180(1)(a) of the Companies Act, 2013, the board of Director of the company cannot, except with the consent of the Company in General Meeting, create Charge/Mortgage/hypothecation in order to secure such borrowings in favor of all or any of the Financial institutions/banks/lenders/ other investing agencies or other persons bodies corporate by private placement or otherwise. the resolution set out in the Resolution No.9 seek members approval to authorize Board of Directors to secure borrowings by way of creation charge/mortgage/hypothecation on the assets of the Company in favor of all or any of the Financial institutions/banks/lenders/ other investing agencies or other persons bodies corporate.

The Directors recommends the resolution for members' approval as a Special Resolution.

None of the Directors or Key managerial personnel of the Company or the relatives is concerned or interested, financially or otherwise, in the said resolution.

Annexure to **Notice****Details of directors seeking appointment / re-appointment at the AGM**

Particulars	Mr. Ashok Kumar Jain	Mrs. Anita S. Gandhi
DIN No.	00184729	02864338
Date of Birth	March 01, 1954	December 11, 1963
Date of Appointment	June 25, 1992	January 30, 2010
Qualifications	M.Com, CA	B.Com, CA, ICWA
Expertise in Specific functional Area	He is the promoter director of the company and has more than 31 years of reach experience in the field of financial services, merchant banking and securities broking	Wide experience in primary and secondary market research, institutional broking.
Directorship held in other public companies (excluding private companies, foreign companies and section 25 companies)	5	Nil
Memberships/ Chairmanship of Committees of other public companies (includes only Audit Committee and shareholders/ Investor Grievances Committee)	Nil	Nil
No. of shares held in the company	6063040	Nil

By the order of the Board of Directors

Mahesh Pancholi
(Company Secretary)
M. No. F7143

Place: Indore
Dated: 29th May, 2015



Director's Report

Dear Shareholders,

Your Directors are pleased to present the Twenty Third Annual Report on the business and operations of your Company together with the audited financial statements and accounts for the year ended 31st March 2015.

Financial Highlights

The following table gives the financial highlights of your company on a standalone and consolidated basis for the financial year 2014-15:

(₹ in Lacs)

Particulars	Standalone		Consolidated	
	2014-15	2013-14	2014-15	2013-14
Gross income	4938.19	3567.13	6212.65	4633.34
Profit before depreciation & Exceptional Items	1120.63	726.16	1758.70	1086.60
Depreciation	107.20	107.10	124.01	118.87
Exceptional Items	0.00	286.51	37.00	480.43
Profit before tax	1013.43	332.55	1597.68	487.30
Provision for taxation	306.53	81.28	489.48	127.02
Net profit after taxation	706.90	251.26	1108.20	360.27
Balance of profit and loss a/c (b/f)	117.07	98.52	380.76	385.97
Profit available for appropriation	823.98	349.78	1489.11	755.03
Appropriations:				
Transfer to general reserve	400.00	50.00	725.00	185.00
Transfer to statutory reserve	Nil	Nil	16.26	6.56
Dividend (inclusive of dividend tax)	187.39	182.71	187.39	182.71
Balance carried to balance sheet	236.58	117.07	560.46	380.76

Review of Operations

During the year under review, the company has posted gross income of ₹4,938.19 lacs (previous year ₹ 3,567.13) on a standalone basis and a net profit after tax, for the year 2014-15, of ₹706.90 lacs compared to ₹251.26 Lacs in the previous year. On a consolidated basis during the year under review, the company has posted gross income of ₹6,212.65 lacs (previous year ₹ 4,633.34). The consolidated net profit during the same period stands at ₹1,108.20 lacs compared to ₹360.27 lacs in the previous year.

A detailed note on the Company's operational and financial performance is given in Management Discussion and Analysis (MDA) Report which is annexed to the Directors' Report. The MDA report has been prepared in compliance with the terms of Clause 49 of the Listing Agreement with the BSE Ltd.

Dividend

Your Directors recommended a dividend of ₹0.75 per share i.e. 15 per cent (previous year also 15 per cent) on 2,08,22,560 equity shares to be appropriated from the profits of the year 2014-2015, subject to the approval of the shareholders at the ensuing Annual General Meeting (AGM).

Transfer to General Reserves

The Company proposes to transfer ₹400.00 lacs to the general reserves out of the amount available for appropriations and an amount of ₹236.58 lacs is proposed to be retained in the Profit and Loss Account.

**Public Deposits**

The Company did not accept any public deposits during the year under review.

Subsidiaries

Your Company has seven subsidiaries:

1. Arihant Futures and Commodities Limited
2. Arihant Financial Services Limited
3. Arihant Lifespace Infra Developers Limited (formerly - Arihant Finsec Limited)
4. Arihant Insurance Broking Services Limited
5. Arihant Financial Planners and Advisors Pvt. Ltd.
6. Ahinsa Lifespace Infraheight Ltd.
7. Arihant Housing Finance Corporation Ltd.

Pursuant to the general circular no. 2/2011 dated 8th February 2011 of the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit & Loss A/c. and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. However, the financial information of the subsidiary companies is disclosed in the Annual Report in compliance with the said circular. The Company will provide a copy of separate annual accounts in respect of each of its subsidiary to any shareholder of the Company who asks for it and the said annual accounts will also be kept open for inspection at the registered office of the Company and that of the respective subsidiary companies.

Directors

In accordance with the provisions of Section 152 of the Companies Act, 2013, and the Articles of Association of the Company, Mr. Ashok Kumar Jain, who is due to retire by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment.

The company has received declarations from all the Independent Directors of the company confirming that they meet the criteria of Independence as prescribed both under the Act and clause 49 of the listing agreement with the stock exchange.

Number of Meetings of The Board

The details of the number of meetings of the Board held during the financial year 2014-15 forms part of the Corporate Governance Report.

Particulars of Loans, Guarantees or Investments By Company

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013, are given in the notes to Financial Statements.

Whistle Blower Policy

The Company has a Whistle Blower Policy to report genuine concerns or grievances. The Whistle Blower Policy has been posted on the website of the company www.arihantcapital.com.

Remuneration And Nomination Policy

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of directors, key managerial personnel and senior management of the company. This policy also lays down criteria for selection and appointment of Board members. The details of this policy are explained in the Corporate Governance Report.

Transfer of Amounts To Investor Education And Protection Fund

Pursuant to the provisions of Section 125(1) of the Companies Act, 2013, relevant amounts which remained unpaid or unclaimed for a period of seven years have been transferred by the Company to the Investor Education and Protection Fund.

Conservation of Energy, Technology Absorption And Foreign Exchange Earnings/ Outgo

In view of the nature of activities which are being carried on by the Company, Rule 8(3)A and B of the Companies (Accounts) Rules, 2014, concerning conservation of energy and technology absorption respectively are not applicable to the Company. However as per Rule 8(3)C, details regarding foreign exchange inflow and outflow shall be referred as mentioned in Note No. 26 of Notes forming part of Balance Sheet.



Particulars of Employees

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Director Report for the year ended 31st March, 2015 is given in the separate "Annexure C" of this Report.

The above annexure is not being sent along with this Report to the members of the Company in line with the provisions of Section 136 of the Companies Act, 2013. Members who are interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company. The aforesaid Annexure is also available for inspection by the Members at the Registered Office of the Company, 21 days before the 23rd Annual General Meeting and upto the date of the ensuing Annual General Meeting during business hours on working days.

Director's Responsibility Statement

In pursuance of Section 134(3) (c) read with section 134(5) of the Companies Act, 2013, the Director's statement, as an averment of their responsibility, is as under:

- (i) The Company has, in the preparation of the annual accounts for the year ended March 31, 2015, followed the applicable accounting standards along with proper explanations relating to material departures, if any.
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs as at 31st March 2015 and of the profit or loss of the Company for the year ended on that date.
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The Directors have prepared the annual accounts for the financial year ended 31st March 2015, on a going concern basis.
- (v) The Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively; and
- (vi) There is a proper system to ensure compliance with the provisions of all applicable laws and that such system are adequate and operating effectively.

Auditors and Auditor's Report

M/s Arora Bantia & Tulsian, Chartered Accountants, auditors of the company, bearing firm registration no. 007028C retire at the ensuing AGM and, being eligible, offer themselves for re-appointment. As required under the provisions of section 139 of the Companies Act, 2013, the Company has obtained written confirmation from the M/s Arora Bantia & Tulsian that their re-appointment, if made, would be in conformity with the limits specified in the said Section.

The notes to the accounts referred to in the Auditor's Report are self-explanatory and therefore, do not call for any further comments.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report covering the matters listed in Clause 49 of the Listing Agreement for the year under review is given as a separate statement in the Annual Report.

Corporate Governance

Your directors reaffirm that the Company has complied with the corporate governance norms as stipulated under the provisions of the listing agreement entered into with the stock exchanges and prescribed by the Securities and Exchange Board of India (SEBI).

A Certificate from practicing company secretary confirming compliance to the corporate governance requirements by the Company is attached to this report. A detailed report on corporate governance as stipulated in clause 49 of the listing agreement is included in the Annual Report.

Extract of Annual Return

The details forming part of the extract of the Annual return in form MGT-9 is annexed herewith as "Annexure A".



Secretarial Audit

Pursuant to the provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of managerial personnel) Rules, 2014 the company has appointed M/s Ajit Jain & Co., practicing company secretary to undertake the secretarial audit of the company. The Secretarial Audit Report is annexed herewith "Annexure B".

Related Party Transactions

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with the promoters, key managerial personnel or other designated persons which may have potential conflict with interest of the company at large and hence, enlosing of form AOC-2 is not required, suitable disclosures as required by AS-18 has been made in notes of financial statement.

Prevention of Insider Trading

The company has adopted a code of conduct for prevention of insider trading with a view to regulate trading in securities by the Directors and designated employees of the company. The code requires pre-clearance for dealing in the company's shares and prohibits the purchase or sales of company shares by the Directors and designated employees by in possession of unpublished price sensitive information in relation to the company and during the period when the trading window is closed. The compliance officer is responsible for implementation of the code.

All Board of Directors and designated employees have confirmed compliances with the code.

Consolidated Financial Statements

In accordance with the accounting standard AS-21, the consolidated financial statements are furnished herewith and form part of this report accounts. These statements have been prepared on the basis of audited financial statements received from the subsidiary companies as approved by their Board of Directors.

GENERAL

Your directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- Details relating to deposits covered under chapter V of the Companies Act, 2013.
- Issue of equity shares with the differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the company under any scheme.
- Neither the Managing Director nor Whole Time Director of the company received any remuneration or commission from any of its subsidiaries.
- No significant or material orders were passed by the regulators or courts or tribunals which impact the going concern status any company's operation in future.

Your Director further state that as required by the sexual harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013. The Company has formulated and implemented a policy on prevention of sexual harassment at workplace with a mechanism of lodging complaints. During the year under review, no complaints were reported to the Board.

ACKNOWLEDGMENT

Your directors take this opportunity to thank the customers, shareholders, financial institutions, stock exchanges, SEBI, Reserve Bank of India, National Securities Depository Limited, Central Depository Services Limited and other government and regulatory agencies for their consistent support and encouragement to the Company.

We also place on record our sincere appreciation to all the members of Arihant family including our employees and authorized persons for their hard work, support and commitment. Their dedication and competence has made these results achievable.

For and on behalf of the Board of Directors

Place: Indore
Dated: 29th May, 2015

Ashok Kumar Jain
(Chairman)



FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
 As on the financial year ended on 31/03/2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
 (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i	CIN	L67120MP1992PLC007182
ii	Registration Date	25/06/1992
iii	Name of the Company	Arihant Capital Markets Ltd.
iv	Category/Sub-Category of the Company	Company limited by shares/ Indian non Govt. company
v	Address of the Registered office and contact details	E/5, Ratlam Kothi Area, Indore-452001 (M.P.) T. +91-731-2519610, F. +91-731-3048915
vi	Whether listed company	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	Ankit Consultancy Private Limited, Plot No. 60, Electronic Complex, Pardeshipura, Indore – 452 010 (M.P.) T. +91-731-2551745, F. +91-731-4065798

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

S.No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Securities Brokerage Services	99715210	74.5%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S.No.	Name And Address Of The Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	Arihant Futures And Commodities Ltd. Address: E/5 Ratlam Kothi Area, Indore-452001 (M.P.)	U51225MP2002PLC015401	Subsidiary Company	99.86%	Section 2(87)
2.	Arihant Financial Services Ltd. Address: E/5 Ratlam Kothi Area, Indore-452001 (M.P.)	U67120MP2006PLC019160	Subsidiary Company	100%	Section 2(87)
3.	Arihant Lifespace Infra Developers Limited (Formerly- Arihant Finsec Ltd.) Address: E/5 Ratlam Kothi Area, Indore-452001 (M.P.)	U70100MP2008PLC020730	Subsidiary Company	100%	Section 2(87)
4.	Arihant Insurance Broking Services Ltd. Address: E/5 Ratlam Kothi Area, Indore-452001 (M.P.)	U66000MP2009PLC021788	Subsidiary Company	100%	Section 2(87)



5.	Arihant Financial Planners And Advisors Pvt. Ltd. Address: E/5 Ratlam Kothi Area, Indore-452001 (M.P.)	U74140MP2011PTC026953	Subsidiary Company	51.2%	Section 2(87)
6.	Ahinsa Lifespace Infraheight Limited Add: E/5 Ratlam Kothi Area, Indore-452001 (M.P.)	U70102MP2014PLC032196	Subsidiary Company	100%	Section 2(87)
7.	Arihant Housing Finance Corporation Limited Add: E/5 Ratlam Kothi Area, Indore-452001 (M.P.)	U67190MP2014PLC032791	Subsidiary Company	100%	Section 2(87)

IV. I.SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (01/04/2014)				No. of Shares held at the end of the year (31/03/2015)				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoters									
(1) Indian									
a) Individual/Huf	15421052	-	15421052	74.06	15421052	-	15421052	74.06	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt. (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	15421052	-	15421052	74.06	15421052	-	15421052	74.06	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	15421052	-	15421052	74.06	15421052	-	15421052	74.06	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-



Category of Shareholders	No. of Shares held at the beginning of the year (01/04/2014)				No. of Shares held at the end of the year (31/03/2015)				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	844076	67520	911596	4.38	791016	67520	858536	4.12	-0.25
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lac	1678006	448104	2126110	10.21	1883287	442344	2325631	11.17	0.96
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lac	2286185	-	2286185	10.98	2086533	-	2086533	10.02	-0.96
c) Others (specify)									
i) NRI & OCB	76544	-	76544	0.37	124585	-	124585	0.60	0.23
ii) Clearing Member	1073	-	1073	0.01	6223	-	6223	0.03	-0.02
Sub-total (B)(2)	4885884	515624	5401508	25.94	4891644	509864	5401508	25.94	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	4885884	515624	5401508	25.94	4891644	509864	5401508	25.94	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	20306936	515624	20822560	100	20312696	509864	20822560	100	0.00

ii) Shareholding of Promoters

S. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares % of Total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares % of Total shares	
1	Ashok Kumar Jain	6063040	29.12	-	6063040	29.12	-	-
2	Kiran Jain	4728320	22.71	-	4728320	22.71	-	-
3	Sunil Kumar Jain	1606656	7.71	-	1606656	7.71	-	-
4	Arpit Jain	1147840	5.51	-	1147840	5.51	-	-
5	Swati Jain	915516	4.40	-	915516	4.40	-	-
6	Shruti Jain	622080	2.99	-	622080	2.99	-	-
7	Ratik Jain	192000	0.92	-	192000	0.92	-	-
8	Kamal Kumar Jain	51200	0.25	-	51200	0.25	-	-
9	Anvita Jain	38400	0.18	-	38400	0.18	-	-
10	Meena Jain	30400	0.15	-	30400	0.15	-	-
11	Kamal Kumar Jain	25600	0.12	-	25600	0.12	-	-



(iii) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<i>At the beginning of the year</i>	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	N.A.	N.A.	N.A.	N.A.
	<i>At the End of the year</i>	-	-	-	-

(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Manorama Jain	435238	2.09	435238	2.09
2	Vijaya Jain	429614	2.06	457988	2.20
3	Vandana Jain	322480	1.55	322480	1.55
4	Pumarth Properties And Holdings Pvt. Ltd.	193800	0.93	194137	0.93
5	Sanjay Kumar Nathani & Sons	146475	0.70	0	0.00
6	Vijit Ramawat	143863	0.69	161863	0.78
7	Raghvendra Nathani	127600	0.61	0	0.00
8	Mahesh Vrajlal Babaria	122800	0.59	122800	0.59
9	Pumarth Infrastructure Pvt. Ltd.	100000	0.48	100000	0.48
10	Neha Bagadia	80005	0.38	80005	0.38
11	Vijit Asset Management Pvt. Ltd.	0	0.00	74236	0.36

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	For Each of the Directors and KMP	As on Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Ashok Kumar Jain (Managing Director)	01/04/2014	6063040	29.12	6063040	29.12
		31/03/2015	-	-	6063040	29.12
2.	Mr. Sunil Kumar Jain (Director)	01/04/2014	1606656	7.71	1606656	7.71
		31/03/2015	-	-	1606656	7.71
3.	Mr. Akhilesh Rathi (Director)	01/04/2014	-	-	-	-
		31/03/2015	-	-	-	-
4.	Mr. Rakesh Jain (Director)	01/04/2014	-	-	-	-
		31/03/2015	-	-	-	-



5.	Mrs. Anita S. Gandhi (Whole Time Director)	01/04/2014	-	-	-	-
		31/03/2015	-	-	-	-
6.	Mr. Pankaj Kumar Gupta (Director)	01/04/2014	-	-	-	-
		31/03/2015	-	-	-	-
7.	Mr. Parag Rameshbhai Shah (Director)	01/04/2014	29000	0.13	29000	0.13
		31/03/2015	-	-	29000	0.13
8.	Mr. Mahesh Pancholi (Company Secretary)	01/04/2014	272	-	272	-
		31/03/2015	-	-	272	-
9.	Mr. Tarun Goyal (Chief Financial Officer)	01/04/2014	-	-	-	-
		31/03/2015	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	71958	-	-	71958
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	71958	-	-	71958
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	(60157)	-	-	(60157)
Net Change	(60157)	-	-	(60157)
Indebtedness at the end of the financial year				
i) Principal Amount	11801	-	-	11801
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	11801	-	-	11801

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S. No.	Particulars of Remuneration	Mr. Ashok Kumar Jain (Managing Director)	Mrs. Anita S. Gandhi (Whole Time Director)	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36,00,000	29,96,000	65,96,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	75,283	-	75,283
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-



S. No.	Particulars of Remuneration	Mr. Ashok Kumar Jain (Managing Director)	Mrs. Anita S. Gandhi (Whole Time Director)	Total Amount
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	46,30,217	-	46,30,217
	- as % of profit	10%	-	-
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	83,05,500	29,96,000	1,13,01,500

B. Remuneration to other directors:

S. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Akhilesh Rathi	Mr. Sunil Kumar Jain	Mr. Rakesh Jain	Mr. Pankaj Kumar Gupta	Mr. Parag Rameshbhai Shah	
1	Independent Directors Fee for attending board / committee meetings	80000	-	80000	40000	60000	260000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	80000	-	80000	40000	60000	260000
2	Other Non-Executive Directors Fee for attending board / committee meetings	-	60000	-	-	-	60000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	60000	-	-	-	60000
	Total (B)=(1+2)	80000	60000	80000	40000	60000	320000

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

S. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary	CFO	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,45,049	8,80,990	15,26,039
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	6,45,049	8,80,990	15,26,039



VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY Penalty Punishment Compounding					
B. DIRECTORS Penalty Punishment Compounding					
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding					

Nil



FORM NO. MR-3
SECRETARIAL AUDIT REPORT
For The Financial Year Ended On 31st March, 2015

**[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]**

To,
The Members,
Arihant Capital Markets Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Arihant Capital Markets Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Arihant Capital Markets Limited for the financial year ended on 31st March, 2015, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the company during the audit period)
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the company during the audit period)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the company during the audit period)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the company during the audit period)
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the company during the audit period)
- vi. Other applicable Acts;
 - a) Prevention of Money Laundering Act, 2002;
 - b) The Employees Provident Fund & Miscellaneous Provisions Act, 1952;
 - c) Employees State Insurance Act, 1948;
 - d) Payment of Gratuity Act, 1972;
 - e) The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013;

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

- i. Secretarial standards issued by The Institute of Company Secretaries of India. (Not notified hence not applicable to the company during the audit period)
- ii. The listing agreements entered into by the Company with BSE.

During the period under review the Company has complied with the provisions of the act, rules, regulations, guidelines, standards, etc. mentioned above.



We further report that

The Board of Directors of the Company is duly constituted with proper balance of executive directors, non-executive directors and independent directors. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has not incurred any specific event /action that can have a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

**For Ajit Jain & Company
(Company Secretary)**

**Ajit Jain
Proprietor**

Membership No. FCS - 3933

Place: Indore

Dated: 29th May, 2015

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

Annexure A to **Secretarial Audit Report**

To,
The Members,
Arihant Capital Markets Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Ajit Jain & Company
(Company Secretary)**

**Ajit Jain
Proprietor**

Membership No. FCS - 3933

Place: Indore

Dated: 29th May, 2015



Details pertaining to Remuneration as required under Section 197(2) of the Companies Act, 2013 read with Rule 5(1) **of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2014-15, ratio of the remuneration of each Director to the median remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel(KMP) against the performance of the Company are as under:

S. No.	Name of Director/KMP and Designation	Remuneration of Director /KMP for the FY 2014-15 (₹ in Lacs)	% increase in Remuneration in the FY 2014-15	Ratio of Remuneration of each Director to Median remuneration of employees	Comparison of the Remuneration of the KMP against the Performance of the company
1.	Ashok Kumar Jain*	36.75	-	15.70	
2.	Mrs. Anita S. Gandhi	29.96	-	12.80	
3.	Sunil Kumar Jain	0.60	-	0.25	
4.	Akhilesh Rathi	0.80	-	0.34	
5.	Rakesh Jain	0.80	-	0.34	
6.	Pankaj Kumar Gupta	0.40	-	0.17	
7.	Parag Rameshbhai Shah	0.60	-	0.25	
8.	Mahesh Pancholi*	6.45	10%	N.A	Profit after tax increased by 181.33% for the Financial Year 2014-15
9.	Tarun Goyal*	8.81	10%	N.A	

*KMP of the company

- (ii) The median remuneration of employees of the Company during the financial year was ₹ 2.34 Lac.
- (iii) In the financial year, there was an increase of average 10% in the median remuneration of employees.
- (iv) There were 175 permanent employees on the rolls of Company on March 31, 2015.
- (v) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive the remuneration in excess of the highest paid Director during the year- Not Applicable;
- (vi) It is hereby affirmed that the remuneration paid is as per Remuneration Policy for Directors, Key Managerial Personnel and other Employees.



Management Discussion & Analysis Report

FY 2014-15: A Glance and Outlook

The Indian stock markets were one of the best performing markets globally in the fiscal year 2015. The decisive selection of NDA-Led Modi government was a very positive development for the Indian economy that boosted the business sentiment with visible optimism in the economy. There was a renewed confidence about India's growth potential on hopes that the required policies and measure would be put in place to harness the inherent growth drivers of India—favourable demographics and a burgeoning middle class.

Over the last year the government has taken a number of policy measures including enhancing foreign direct investment limits in various important sectors like insurance, defense and railways, providing banking access through Pradhan Mantri Jan-dhan Yojna accounts, auction of coal mines and telecom spectrum, deregulation of diesel pricing, rationalisation of gas prices, removing hurdles in infrastructure projects and expanding direct benefit transfers, which set the right investment climate in the country. The government also took steps to resolve investor concern over ambiguous policies that had put off the foreign investment and worked on ensuring that a well-defined policy approach is articulated. The sudden sharp drop in crude oil prices globally also benefited the economy keeping the sticky and worrying inflation in check. Core consumer price index (CPI) inflation came down to 4.3% in March 2015 from 8.2% at the beginning of the financial year.

Current account deficit (CAD) continued to be contained during the year; in the first three quarters of FY 2015, CAD was at 1.8% of GDP (or US\$26.3 billion) compared to the first three quarters of FY 2014 when CAD was at 2.3% of GDP (US\$31.1 billion). The main driver of low CAD was the sharp drop in crude oil prices that kept the imports in check. However the exports performed poorly during the year due to the global demand slump. The year also saw a boost in balance of payment (BOP) which came via capital inflows into the economy, backed by confidence of the foreign investors on India's reforms-backed growth process under the new government.

Another major development was the steps taken to promote 'Digital India' by the government to improve corporate governance, ease of doing business and delivery of services to its citizens. The long term impact of the actions taken by the government will have positive influence on economic conditions and will also enhance its ability to achieve and sustain high growth rates.

Going forward the key challenges for the government would be those relating to infrastructure upgradation and keeping up with the commitments. Global growth is still fragile and uneven. US economy's growth has rebounded putting concerns that the US Fed would soon tighten monetary policy in the country that would have some ramifications for flows into emerging economies like India. However the government's commitment to reforms and lowering crude oil and commodities prices in the international markets would act as support for a healthy FY 2016.

We believe that continued strong reforms in various sectors will be an important catalyst for the markets in fiscal year 2016 and a positive sentiment would directly impact the performance of stock markets. Your company's performance is to a great extent linked to how the securities markets perform and we are positive that FY2016 will continue to be positive for the economy, markets and your Company. Our large retail client group, widespread franchisee network and strong reach will enable us to tap the potential that exists in the financial industry.

Who we are and what we do

Established as a stock broking Company in 1992, we are today one of India's leading integrated financial services company. Initiated with the idea to make financial products and services easily understandable and accessible to all, the Company now offers equity, commodity and currency broking services, merchant banking services, distribution of financial products, financial planning, and depository services through its 690 investment centers across India servicing over 1.22 lac customers that includes retail, high net worth individuals and domestic and foreign financial institutions. Here is a list of products and services offered by your Company:

- Equities and Derivatives Broking
- Online Services – Ari-trade offers online trading, online IPO and online mutual funds
- Commodities Broking
- Currency Derivatives Broking
- Financial Planning
- Priority Client Group
- Mutual Fund Investment and Advisory
- IPO, Bonds (including NHAI, REC, NABARD)
- Merchant Banking (Category I)

We derive majority of our revenues from our equity broking division. The Company conducts its operations along with its subsidiaries (together hereinafter referred to as Arihant or the Company).

Review of Operations

On a consolidated basis, your Company earned total revenue of ₹ 62.12 crore with a net profit of ₹ 11.08 crore during the FY 2015. The revenues of your Company increased 41.79% in the financial year under review.



Your Company's consolidated performance during the financial year 2014-2015 is as follows:

(₹ in Lacs)

Year ended	March 31, 2015	March 31, 2014
Income from operations	5,760.39	4,062.48
Other Income	452.26	570.87
Total Income	6,212.65	4,633.35
Total Expenditure	4,577.96	3,665.61
Profit before exceptional items	1,634.68	967.73
Exceptional Items	37.00	480.43
Profit before Tax	1,597.68	487.30
Provision for Tax	489.48	127.03
Net Profit for the period	1,108.20	360.27
Earnings Per Share (Rs)	5.32	1.77

Your company continued to maintain a cautious stance on the expenditure and considerably reduced its expenses, wherever feasible. The following table outlines company's expenditure:

(₹ in Lacs)

Year ended	March 31, 2015	March 31, 2014
Commission and Brokerage	1806.12	1388.55
Employees Cost	1119.53	928.81
Depreciation	124.02	118.87
Administrative & Other Expenditure	1289.79	1148.50
Financial Cost	238.51	80.88
TOTAL EXPENDITURE	4577.96	3,665.61

Volatility is a part of our business, and hence we believe there would be periods of volatility in the Indian equity markets, which will also reflect in our business performance. However, focus on tapping new revenues streams, improving efficiencies, adapting ourselves to the changing mindset of clients and updating ourselves with the highly dynamic financial markets would help us in offsetting the said volatility.

Awards

It brings us immense pleasure to inform you that your company received NSDL STAR PERFORMER AWARDS 2014 in Top performer in New Accounts opened (Non bank category) 3rd rank in all over India.

Risk factors relating to our business operations

The Company faces a variety of risks because of the business environment it operates in, which may affect its operations or financial results, and many of those risks are driven by factors that the Company cannot control or predict. Capital markets worldwide, including the Indian capital markets, are exposed to significant fluctuations and hence, the company is exposed to several risks apart from the fundamental risk of business operations. Hence adequate risk management system has been put in place by the management to ensure the success and financial soundness of the company. However, despite the company's attempts to identify areas of potential risks and implement policies and procedures to mitigate those risks, there can be no assurance that the company will not suffer unexpected losses in its area of operations.

The risk factors that can be specifically identified with our business operations are outlined below:

- Capital market risk is inherent in our business: The major sources of our revenues are derived from equity brokerage business. Hence, like



other players in the market, our business is highly sensitive to economic and political conditions prevalent in the country. Any sustained downturn in general economic conditions or Indian equity markets and severe market fluctuations would likely result in reduced client trading volumes and net revenues, and hence, will have a material adverse effect on our profitability.

- Technological risk plays a significant role in our industry: The substantial amount of costs involved in deployment of technology is a critical factor. Obsolescence is another major concern as upgradation of technology is an ongoing exercise. Any significant changes in technology would pose pressure on our profitability.
- Systems failures, delays and capacity constraints could harm our business
- We are exposed to credit risk with clients and counter parties: We provide exposure limits to clients, based on the collaterals of securities that we receive from them, in connection with our brokerage business. Sharp change in market values of securities and the failure by parties to honour their commitments on a timely basis could have a material adverse effect on the profitability of our operations.
- Substantial competition could reduce our market share: India has become one of the most attractive investment destinations in the world. Many foreign players have entered in the Indian financial services market and would continue to do so. There has been substantial price competition in the industry, including various free trade offers and a declining trend in the brokerage charges to the clients. We expect this competitive environment to continue in the future and this could affect our results of operations.
- We are subject to various legal actions filed against us by interested parties: In our ordinary course of business, investors, trading members or any other third party may institute complaints, arbitration proceedings, lawsuits or other actions against us. Accordingly, in some cases fines, penalties or other repercussions would be borne by us that could materially affect our results of operations or cash flows.
- Regulatory uncertainties or failure to comply with any regulatory authority could affect our business: The financial services industry is subject to extensive regulations covering all aspects of the business. Securities and Exchange Board of India (SEBI), National Stock Exchange (NSE), the Bombay Stock Exchange of Mumbai (BSE), Forward Market Commission (FMC), Central Government, State Government and other regulatory bodies can among other things impose fine, penalties, suspend our business or exercise other such powers in their jurisdiction, which could potentially harm our business operations.

Human Resources

Arihant's success is dependent on our ability to attract, retain and motivate highly talented human capital including sales and marketing and infrastructure professionals and good support staff. We accomplish this by ensuring that we have competitive compensation structure. Employees are the key to achievement of the Company's objectives and strategies. The Company provides employees with a fair and equitable work environment and support from the peers to develop their capabilities, trusting them with freedom to act and to take responsibility. The Company continuously invests in the development of its human resources through a series of employee friendly measures aimed at talent acquisition, development, motivation and retention.

Your Company continued to emphasise on improving and upgrading the skills of its employees and conducted several training programs in this regard. Moreover, in line with the Company's staff certification policy, all employees are mandatorily required to take relevant industry standard certifications such as NCFM, BSE Certification on Stock Markets (BCSM), Association of Mutual Funds of India (AMFI), Chartered Financial Analyst (CFA) and Chartered Financial Planner (CFP). Most of the Company's employees are qualified professionals (CA, CS, MBAs) or have obtained such certifications.

Arihant is committed to creating a team oriented and collegiate working environment.

Internal Control System

The Company has an internal control system commensurate with its requirements and the size of business to ensure that the assets and interests of the Company are safeguarded. The adequacy and effectiveness of the internal control across various activities, as well as compliance with laid-down system and policies, are comprehensively and frequently monitored by your Company's management at all the levels of the organization. The Company has established well defined written policies and processes across the organisation covering all major activities including authority for approvals. In all cases where monetary decision is involved, various limits and authorities are in place.



The Company has hired the services of a professional firm of chartered accountants to function as independent internal auditors and to assist the management in effective discharge of its responsibilities by furnishing it with findings, observations and pertinent comments, checking adequacy of internal controls, adherence to regulatory compliance and company's policies and procedures, analysis and recommendations concerning the activities covered for audit and conducting a review of it during the year. Findings of internal audit reports and effectiveness of internal control measures is reviewed by top management and audit committee of the Board.

In addition to a third party, the Company has in place an internal audit team for reviewing all the branches and sub-brokers on a regular basis. This team regularly visits branches and sub-brokers to ensure regulatory compliance and company's policies and procedures are fully complied with. The Company also carries out post audit reviews to ensure follow up on the observations made and their implementation.

The financial services business in India is well-regulated and compliance intensive. We have an exclusive compliance department run by a team of experts and headed by our Chief Compliance Officer. The Company is governed by the SEBI's stock brokers and sub-brokers rules, regulations, bye laws and circulars issued there under, SEBI Merchant Bankers Regulation 1992 and Association of Mutual Funds of India's regulations for mutual fund distribution. Our depository division is compliant with NSDL and CDSL requirements and is governed by the SEBI. Our subsidiary, Arihant Financial Services Ltd, is a Non-Banking Financial Corporation (NBFC) registered by the Reserve Bank of India and Arihant Futures and Commodities Ltd, commodities broking subsidiary, is governed by Forwards Contract Regulation Act, 1952 and Forward Market Commission.

Risk management

A comprehensive and integrated risk management framework forms the basis of all the de-risking efforts of the Company. Formal reporting and control mechanisms ensure timely information availability and facilitate proactive risk management. We recognise that risk is inherent in our business and the markets in which we operate. As such Arihant is committed to the creation and maintenance of strong risk management as well as rigorous control standards throughout the organisation. The Company's risk management policies encompass structured reporting and strict controls to ensure smooth running of the business and security of client's data.

Uninterrupted connectivity is vital for the company's smooth running and risk management. Technology plays an integral role in the company's business operations and we have put in place a strong Business Continuity Plan to mitigate the risk owing to technology failure. Multiple data-centres, sophisticated firewalls, dual internet bandwidth are some of the elements of our BCP. We have sophisticated risk management applications for evaluating each client's risk and our team of experts actively monitor those to take immediate action to stay within our risk management guidelines. Being in the financial services sector and predominantly a broking company, we work in a highly regulated environment and strictly abide by the policies and laws prescribed by the regulatory authorities such as SEBI, RBI, FMC, and AMFI.

The Environment

At Arihant, we follow environment friendly practices in order to leave as less environmental footprint as possible. We endeavour to pursue a 'paperless' work environment for employees. This reduces costs, saves trees and increases productivity by eliminating manual tasks, decreasing printing costs and streamlining workflow.

We also encourage our clients to go paperless by signing up for electronic trade confirmations (e-contract notes), account statements and bills. Not only is this good for the environment, but it enables clients to receive important information electronically – even if they're away from home.

Commitment to doing what is right

Our management team and Board of Directors are resolved to do what, we believe, is best for our associates, clients and shareholders.

Opportunities and Threats

Our strengths

We believe that our competitive strengths include – commitment to working for the growth of our clients, strong brand and long standing client relationships, a strong network spanning over 685 investment centres across India in over 110 cities, low cost structure, a strong understanding of the brokerage industry and ability to scale and adapt quickly to this highly dynamic industry.

Strategy

We intend to capitalize on the growth and consolidation of the brokerage industry and leverage our low cost infrastructure to grow our market



share and profitability. To achieve these goals we seek to increase business from existing and new clients, expand our network particularly in markets where the competition is not intense and potential is high. We seek to further strengthen our position by increasing our relevance to clients by being able to understand their investment requirement and offer them a solution that best meet their needs (client centric approach).

Our long term strategy is to find new ways to engage untapped clients in the capital markets to help them create wealth and increase our market share by giving superior offerings to long term investors, active traders and institutions. Helping our client make better investment decision and expanding our suite of diversified investment in products and services to serve the investor's needs are the key elements of our strategy.

Our competition

A lacklustre market, changing technology, changing regulations and burgeoning compliance requirements is already taking its toll on the Indian broking industry. But when that is not enough the stiff competition makes it all the more challenging for the broking industry. We operate in a highly competitive and extremely dynamic market and compete with not only the large broking companies of the country that includes banks with huge client base but also the best broking and wealth management companies of the world.

As the competition gets stiff and the target market narrows, the margins start thinning. There is a limit to which costs can be curtailed as there are certain infrastructure and regulatory costs which cannot be trimmed; on the contrary has only been rising over the years.

We believe that the principal competitive factors in our industry is the ability to work with integrity and work for the benefit of the client, attract and retain high quality personnel, have a scalable and cost-effective business model, increase the scale and breadth of the service offering to become a one stop solution for all investment needs, keep pace with ever changing equity markets, technology and customer requirements, have a proven track record of creating value for customers and to ensure honest and professional business practice, which is particularly crucial in financial services industry. We strongly believe that we compete favourably among all these factors and our dedication towards doing what's right for our client will help us grow stronger in the future.

Cautionary Statement

Statements in this report describing the Company's objectives, or outlook, opportunities, future business strategies, expectations or predictions contain certain forward looking statements within the meaning of applicable laws and regulations. The actual results may differ materially from those expressed in this statement.



Report on Corporate Governance

A report on Corporate Governance is set out in compliance with the Corporate Governance requirements as stipulated in Clause 49 of the Listing Agreement with the Bombay Stock Exchange.

Company's philosophy on corporate governance

Corporate governance is about commitment to values and ethical business conduct. Arihant Capital Markets Ltd. (hereinafter referred to as 'the Company' or 'Arihant') believes that good corporate governance consists of a combination of business practices which result in enhancement of the value of the Company to its shareholders and simultaneously enables the Company to fulfill its obligations to other stakeholders such as customers, employees and financiers, and to the society in general.

Transparency, integrity, fairness, accountability and disclosure are Arihant's business ethos that are central to the working of the Company and its directors. We are happy to inform you that our company's existing practices and policies are significantly in conformity with the requirements stipulated by SEBI and complies with the requirement of the corporate governance in terms of Clause 49 of the listing agreement.

Board of Directors

a) Size and composition of the Board

The Company has the policy to have an appropriate mix of executive and independent directors to maintain the independence of the Board. Currently the Board consists of 7 Directors out of which two are executive directors, four are independent directors and one is Non Executive director. The Chairman of the Board is an executive director. The Board believes that the current size is appropriate, based on our present circumstances. The composition of the board is in conformity with the code of corporate governance as specified under clause 49 of the Listing Agreement.

The composition of the Board and details of the Board of Directors and their directorships/memberships held in committees of other companies as on 31st March 2015 is as under:

S. No.	Name of the Director	DIN	Position	No. of directorship (s) held in other companies	No. of outside committee position held	
					Member	Chairman
1.	Mr. Ashok Kumar Jain*	00184729	Chairman & Managing Director	5	Nil	Nil
2.	Mrs. Anita Surendra Gandhi	02864338	Whole-time Director	Nil	Nil	Nil
3.	Mr. Sunil Kumar Jain	00184860	Non-executive Director	Nil	Nil	Nil
4.	Mr. Akhilesh Rathi	02002322	Non-executive Independent Director	2	Nil	Nil
5.	Mr. Pankaj Kumar Gupta	00085831	Non-executive Independent Director	1	Nil	1
6.	Mr. Parag Rameshbhai Shah	00512469	Non-executive Independent Director	Nil	Nil	Nil
7.	Mr. Rakesh Jain	00951773	Non-executive Independent Director	Nil	Nil	Nil

*Founder member of the Board

The independent directors have confirmed that they satisfy the criteria laid down for independent directors as stipulated in clause 49(I) (A) (iii) of the Listing Agreement.



- Other than Mr. Ashok Kumar Jain and Mr. Sunil Kumar Jain who are related as brothers, none of the directors are related to one another.
- Other directorships do not include alternate directorships, directorships of private limited companies, of companies registered under section 8 of the Companies Act, 2013 and of companies incorporated outside India.
- Chairmanship/Membership of board committees includes chairmanship/membership of audit committee and stakeholders' relationship committee only. The membership/chairmanship of board committee of private limited companies, foreign companies and companies registered under section 8 of the Companies Act, 2013 are excluded for the aforesaid purpose.

b) Board meetings held during the year

Four board meetings were held during the year ended 31st March 2015. These were held on 24-May-2014, 9-August-2014, 8-November-2014 and 14-February-2015.

The details of director's attendance at board meetings held during financial year 2014-15 and at the last annual general meeting are as under:

S. No.	Name of the Director	No. of Board Meetings		Whether attended the last AGM
		Held	Attended	
1.	Mr. Ashok Kumar Jain	4	4	Yes
2.	Mr. Sunil Kumar Jain	4	3	Yes
3.	Mr. Akhilesh Rathi	4	4	Yes
4.	Mr. Rakesh Jain	4	4	Yes
5.	Mrs. Anita Surendra Gandhi	4	4	No
6.	Mr. Pankaj Kumar Gupta	4	2	No
7.	Mr. Parag Rameshbhai Shah	4	3	No

Video conferencing facilities are used to facilitate Directors or present at other locations, to participate in the meeting.

The Company provides the information as set out in Clause 49 of the Listing Agreement to the Board and the Board committees to the extent it is applicable and relevant, such information is submitted either as part of the agenda papers in advance of the respective meetings or by way of presentations and discussions during the meeting.

The important decisions taken at the Board or committee meetings are communicated to the concerned departments. The Board periodically reviews compliance reports of all laws applicable to the Company. Steps are taken by the Company to rectify instances of non-compliance, if any.

Committees of the Board

Your Company has three major Board level committees. These committees play an important role in overall management. The Board committees meet at regular intervals and minutes of the committee meetings are placed before the board meeting.

- i) Audit Committee
- ii) Stakeholders Relationship Committee
- iii) Remuneration and Nomination Committee

Audit committee

Audit Committee of the board of directors is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The Audit Committee of Arihant consists of three members, viz., Mr. Akhilesh Rathi, Mr. Sunil Kumar Jain and Mr. Rakesh Jain. The chairman of the committee is Mr. Akhilesh Rathi and Mr. Mahesh Pancholi acts as the secretary to the committee. The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. All the members of the committee have requisite financial management expertise.

The audit committee met four times during the financial year 2014-15, the table below provides the attendance of the audit committee members:



S. No.	Name of the Director	Position	No. of Meetings	
			Held	Attended
1.	Mr. Akhilesh Rathi	Chairman	4	2
2.	Mr. Sunil Kumar Jain	Member	4	3
3.	Mr. Rakesh Jain	Member	4	4

Stakeholders Relationship Committee

The shareholders'/investors' grievance committee comprising of four members, viz. Mr. Akhilesh Rathi, Mr. Ashok Kumar Jain, Mr. Sunil Kumar Jain and Mr. Rakesh Jain, looks into redressal of shareholder/investor complaints like non-transfer of shares, non-receipt of balance-sheet, non-receipt of dividend etc. Mr. Akhilesh Rathi is the chairman of the committee while Mr. Mahesh Pancholi, the compliance officer of the Company, acts as the secretary to the committee. This committee oversees the performance of the registrar and transfer agents and secretary who have been authorised to deal with all these matters and also recommends measures for overall improvement of the quality of investor services.

During the financial year 2014-2015, the committee held four meetings. During the meeting all queries like non-receipt of annual reports, dividend, transfer of shares, new share certificates, change of address etc., were resolved to the satisfaction of the shareholders. Stakeholders are requested to furnish their telephone number and e-mail addresses to facilitate prompt action. There were no complaints outstanding as on March 31, 2015.

The Committee's Composition meets with the requirements of Section 178(5) of the Companies Act, 2013 and as per the requirements of SEBI.

Remuneration and Nomination committee

The remuneration and nomination committee determines and recommends to the Board the compensation payable to the directors. The remuneration committee consists of three non-executive directors as members, viz., Mr. Akhilesh Rathi, Mr. Sunil Kumar Jain and Mr. Rakesh Jain. Mr. Mahesh Pancholi acts as the secretary and Mr. Akhilesh Rathi is the chairman of the committee. One meeting of the committee was held during the financial year 2014-2015.

The terms of reference of remuneration committee include deciding Company's policies on specific remuneration packages for all the directors, designing and implementation of performance appraisal systems and discretionary performance bonus payments for them and such other functions as may be delegated to it by the Board of Directors.

While deciding on the remuneration to the Directors, the Board and remuneration committee considers the performance of the company, the current trends in the industry, the qualifications of the appointee, his/her experience, level of responsibility, past performance and other relevant factors.

Remuneration to directors

All the non-executive directors receive remuneration only by way of sitting fees for attending meeting of the board/committee. The details of the remuneration paid to the chairman, managing director and whole-time director during the year is as under:

(₹ in Lacs)

S. No.	Name of the Director	Salary	Perquisite	Commission	Total
1.	Mr. Ashok Kumar Jain	36.00	0.75	46.30	83.05
2.	Mrs. Anita S. Gandhi	29.96	0.00	0.00	29.96

Sitting fees and shares held by non-executive directors

S. No.	Name of the Director	No. of Equity Shares	Sitting fees
1.	Mr. Sunil Kumar Jain	16,06,656	₹ 60,000
2.	Mr. Akhilesh Rathi	NIL	₹ 80,000
3.	Mr. Rakesh Jain	NIL	₹ 80,000
4.	Mr. Pankaj Kumar Gupta	NIL	₹ 40,000
5.	Mr. Parag Rameshbhai Shah	29,000	₹ 60,000



Disclosures

- i. The Company does not have any material related parties’ transactions which have potential conflict with the interest of the Company at large. Transactions with related parties are disclosed in Note No. 23 of the annual accounts of the Company forming part of the annual report.
- ii. The financial statements have been prepared in accordance with the accounting policies generally accepted in India.
- iii. There were no instances of non-compliance on any matter related to the capital markets, resulting in disciplinary action against the Company, during the last three years.
- iv. The Company has implemented the mandatory requirements of corporate governance as set out in the listing agreement with the stock exchanges. In respect of compliance with the non-mandatory requirements, the Company has constituted a Nomination and Remuneration Committee, details whereof are given under the heading of Nomination and Remuneration Committee. The quarterly, half-yearly and annual results of the Company are put up on the Company’s website www.arihantcapital.com and are being published in national newspapers in English and Hindi language. The auditors’ observations / suggestions / qualifications, if any, have been adequately explained wherever necessary in the appropriate notes to accounts and are self explanatory.
- v. The Company has constituted a risk management committee comprising of business heads and other functional heads of the company. The Company has adopted a risk management policy framework for risk identification, assessment and control to effectively manage risks associated with the business of the Company.
- vi. The Company has adopted Whistle Blower Policy with an objective to promote ethical behavior in all its business activities and has put in place a mechanism of reporting illegal or unethical behavior, wherein the employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor or such other person as may be notified by the management to the workgroups. The Confidentiality of those reporting violations is maintained and they are subjected to any discriminatory practice.

Code for prevention of insider-trading practices

The Company has instituted a comprehensive code for prevention of insider trading, for its directors and designated employees, in compliance with SEBI (Prohibition of insider Trading) Regulations, 1992, as amended from time to time.

General body meetings

Details of the Annual General Meetings held in the last three years are as under:

Financial Year	Venue	Date	Time
2011-2012	Hotel President, R.N.T. Marg, Indore (M.P.)	14/07/2012	12.30 P.M.
2012-2013	Hotel President, R.N.T. Marg, Indore (M.P.)	22/07/2013	11:00 A.M.
2013-2014	Hotel Lemon Tree, R.N.T. Marg, Indore (M.P.)	09/08/2014	12:30 P.M.

Postal ballot

No special resolution was passed through postal ballot during the Financial Year 2014-15. None of the business proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot. All the resolutions including special resolutions set out in respective notices were passed by shareholders by show of hands.

Compliance certificate

Certificate from the practicing company secretary confirming the compliance with all the conditions of corporate governance as stipulated in Clause 49 of the listing agreement is enclosed along with this report.

CEO / CFO certification

As required under Clause 49 V of the Listing Agreement with the BSE, the CEO/CFO certificate for the financial year 2014-15 signed by Mr. Ashok Kumar Jain, Managing Director & CEO and Mr. Tarun Goyal, CFO was placed before the Board of Directors at their meeting held on 29th May, 2015.



Subsidiary Companies

The company does not have any material subsidiary as defined under Clause 49 of the Listing Agreement. The Audit Committee reviews the consolidated financial statements of the Company and the investment made by its unlisted subsidiary companies. The minutes of the board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.

Code of conduct for directors and senior management

In compliance with Clause 49 of the Listing Agreement, the Company has adopted a Code of Conduct and Ethics. The code is applicable to all board members and senior management personnel one level below the executive directors including all functional heads. The code of conduct is available on the website of the Company www.arihantcapital.com.

Requisite annual affirmations of compliance with respective codes have been made by the directors and senior management of the Company. A declaration signed by the Chairman & Managing Director to this effect is enclosed at the end of this report.

Communication to the shareholders

The quarterly/ half yearly / annual results and official news releases of the Company are published in accordance with the Stock Exchange Listing Agreement in newspapers viz. "Free Press" (English), "Choutha Sansar" (Hindi). In addition to this the annual report is also sent to all the shareholders. Quarterly and annual financial statements, along with shareholding pattern are also posted on our website www.arihantcapital.com under the caption "Investor Relations" in the Section – 'About us'.

Green Initiative

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, Government of India (MCA), by its recent circulars, enabling electronic delivery of documents including the annual report, quarterly, half yearly results to shareholders at their e-mail address previously registered with the depository participants (DPs) / company / registrars and share transfer agents.

Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses to help us in the endeavour to save trees and protect the planet. Those holding shares in demat form can register their e-mail address with their concerned DP. Those shareholders who hold shares in physical form are requested to register their e-mail addresses with our registrar, Ankit Consultancy Pvt. Ltd, by sending a letter, duly signed by the first/sole holder quoting details of folio no.

Management discussion and analysis report

Management Discussion and Analysis Report forms a part of the Annual Report.

Declaration by the CEO under Clause 49 of the Listing Agreement regarding adherence to the Arihant code of conduct

In accordance with Clause 49 I (D) of the Listing Agreement, I hereby declare that all the directors and senior management personnel of the Company have affirmed compliance with the code of conduct applicable to all the directors and senior management, for the year ended March 31st, 2015.

For Arihant Capital Markets Ltd

Place: Indore

Dated: 29th May, 2015

Ashok Kumar Jain
Chairman and Managing Director



General Shareholder's Information

1	Venue of Annual General Meeting (AGM)	Sayaji Hotels Ltd., H/1, Scheme No. 54, Vijay Nagar, Indore-452001 (M.P.)
2	Time and Date of AGM	12:30 pm, August 8 th , 2015
3	Date(s) of Book Closure	01.08.2015 to 08.08.2015 (both days inclusive)
4	Financial Calendar Financial Results for* - Quarter ending June 30 th , 2015 Quarter ending September 30 th , 2015 Quarter ending December 31 st , 2015 Year ending March 31 st , 2016 *tentative dates	Second week of August, 2015 Second week of November, 2015 Second week of February, 2016 Last week of May, 2016
5	Dividend Payment Date	on or after 14 th August, 2015
6	Listing of Equity Shares on the Stock Exchange at	The BSE Limited P.J. Towers, Dalal Street, Mumbai-400001
7	Company Registration Details	L67120MP1992PLC007182
8	Stock Code	511605
9	Depository ISIN No. for equity shares	INE420B01028
10	Stock Market Data:	Monthly high and low stock price along with volumes of equity shares traded on BSE for the FY2014-15 is given below:

Month	High (₹)	Low (₹)	Volume (No.)
April 2014	16.00	11.51	2,97,515
May 2014	19.50	12.00	1,69,767
June 2014	25.95	16.70	1,88,495
July 2014	20.30	16.65	55,456
August 2014	23.50	17.15	63,991
September 2014	26.10	18.75	1,15,955
October 2014	21.85	16.95	1,60,118
November 2014	27.45	18.50	1,68,311
December 2014	26.65	20.30	2,57,988
January 2015	27.05	21.10	3,01,961
February 2015	28.95	20.40	1,10,072
March 2015	23.00	15.20	1,11,802

**11. Distribution schedule as on March 31st, 2015**

Shareholding of Nominal Value of		Shares-holders No.	% of Total holders	Share Amount in ₹	% of Total Equity
₹	- ₹				
UPTO	1000	1,122	36.17	466445	0.45
1001	2000	474	15.28	738175	0.71
2001	3000	145	4.67	361295	0.35
3001	4000	670	21.60	2166950	2.08
4001	5000	207	6.67	996800	0.96
5001	10000	218	7.03	1661820	1.60
10001	20000	110	3.55	1612340	1.55
20001	30000	53	1.71	1319990	1.27
30001	40000	21	0.68	743005	0.71
40001	50000	13	0.42	592495	0.56
50001	100000	27	0.87	1974940	1.90
100000	ABOVE	42	1.35	91478545	87.86
TOTAL		3102	100.00	104112800	100.00

12 Dematerialization of Shares

About 97.55 per cent of Company's paid up equity share capital has been dematerialized up to March 31st, 2015

13 Dematerialized at NSDL & CDSL Physical

2,03,12,696
5,09,864

14 Shareholding Pattern as on March 31, 2015:

Category	No. of Shares held	% of Shareholding
Promoters & Promoters Group	1,54,21,052	74.06
Mutual Funds & Institutional Investors	NIL	NIL
Corporate Bodies	8,58,536	4.12
Indian Public	44,18,387	21.22
NRI / OCB	1,24,585	0.60
TOTAL	2,08,22,560	100.00

15 Share Transfer System & Dematerialization

Shares received for transfer in physical form are processed and the share certificates are returned within 7 days from the date of receipt, subject to documents being valid and complete in all respects. In case no response is received within 15 days of lodging the transfer request, the lodger should write to the Company or the registrar with the full details, so that necessary action can be taken to safeguard the interest of the investor. The Company obtains, from a Company Secretary in practice, half-yearly certificate of compliance with the share transfer formalities as required under Clause 47 (c) of the Listing Agreement and files a copy of the said certificate with the Stock Exchange.



A summary of all the transfers, transmissions, issue of duplicate share certificate requests, deletion requests, etc. are placed at every board meeting/ stakeholders Relationship Committee from time to time for their review.

Shareholders who wish to get their physical shares dematerialized should approach to their Depository Participant (DP) where they have a demat account. On receipt of demat request form (DRF) and share certificates by the Company/Registrar, the dematerialization request is processed and the shares are, thereafter, credited in demat account of the shareholder.

16 Investor Correspondence/Query

A. Investor Correspondence

For transfer / dematerialization of shares, payment of dividend, for shares held in physical form and any other query relating to the shares of the Company please contact:

Ankit Consultancy Private Limited,
Plot No. 60, Electronic Complex, Pardeshipura, Indore (M.P.)
T. +91-731-2551745-46, F. +91-731-4065798

For shares held in demat form

to the depository participant

B Any other matters and unsolved complaints

Company Secretary
E-5 Ratlam Kothi, Indore - 452001, (M.P.)

Notes:

- I. Annual listing fee for the year 2015-16 has been paid to the BSE Limited, Mumbai.
- II. Annual custody fee for the year 2015-16 will be paid by the Company to NSDL and CDSL on receipt of the invoices.
- III. Distribution schedule and shareholding pattern as on March 31st, 2015.
- IV. During the financial year 2014-15, the Company has credited ₹ 3,96,603 lying unpaid /unclaimed in the dividend account (2006-07) to the Investor Education & Protection Fund pursuant to Section 125(1) of the Companies Act, 2013. The Company shall be transferring the unclaimed/unpaid dividend amount for the financial year 2007-08, to the Investor Education and Protection Fund in term of the provisions of the Companies Act, 2013.
- V. The Company has also uploaded the details of unpaid/unclaimed amounts lying with the company as on August 9, 2014 (date of last Annual General Meeting) on the MCA website under the provision of IEPF (uploading of information regarding unpaid and unclaimed amount lying with the companies) Rules, 2012.
- VI. In term of Clause 5A of the Listing Agreement, the Company has opened Unclaimed Suspense Account, namely "Arihant Capital Markets Ltd. - Unclaimed Suspense Account" and the unclaimed shares lying with the registrar of the Company have been dematerialized and credited to "Arihant Capital Markets Ltd. - Unclaimed Suspense Account". As per Clause 5A (I) and Clause 5A (II) of Listing Agreement, the details of the shares in the Suspense Account are as follows:

Particulars	No. of Shareholders	No. of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1 st , 2014	190	1,57,120
Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year	2	1280
Number of shareholders and aggregate number of shares transferred to the Unclaimed Suspense account during the year	0	0
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on March 31 st , 2015	188	1,55,840

The voting rights on the shares in the suspense accounts as on March 31st, 2015 shall remain frozen till the rightful owners of such shares claim the shares.



- VII. **Nomination:** Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the Depository Participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.
- VIII. **Electronic Clearing Service:** The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividends. Dividend will be credited to the Member's bank account through NECS whenever complete core banking details are available with the company. In cases where the core banking details are not available, dividend warrants will be issued to the Members with bank details printed thereon as available in the Company's records. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the accounts specified on the dividend warrants and ensures safety for the investors. The Company complies with the SEBI requirement. NECS form is attached to the Notice, if not provided.
- IX. The Company's financial results and official press releases are displayed on the Company's website www.arihantcapital.com.
- X. The financial statements, shareholding pattern, quarterly compliances and other relevant corporate communication are filed with Bombay Stock Exchange Limited electronically through BSE Listing Centre.

CERTIFICATE ON COMPLIANCE WITH CORPORATE GOVERNANCE

To,
The Members,
Arihant Capital Markets Limited

We have examined the relevant records of Arihant Capital Markets Limited for the purpose of certifying compliance with the conditions of corporate governance for the year ended 31st March 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the Company's management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance to the further viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Ajit Jain & Co,
Company Secretaries

Ajit Jain
(Proprietor)
Membership No. FCS - 3933

Place: Indore
Dated: 29th May, 2015



Independent **Auditors' Report**

To,
The Members,
Arihant Capital Markets Limited

Report on the Financial Statements

We have audited the accompanying standalone financial statements of ARIHANT CAPITAL MARKETS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March, 2015, and its profit and its 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, 2015 ("the order") issued by the Central Government of India in terms of sub-section (11) 143 of the act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:



- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 27 to the Financial Statements.
 - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Arora Banthia & Tulsian
Chartered Accountants
Firm No:007028C

CA Ajay Tulsian
Partner
Membership No. : 74868
Indore, 29th May, 2015

Annexure referred to in paragraph 1 under the heading of "report on other legal and regulatory requirements" of our report of even date to the members of **Arihant Capital Markets Limited on the accounts for the year ended 31st March 2015**

1.
 - a) The Company has maintained proper records to show full particulars, including quantitative details and situation of its fixed assets.
 - b) All fixed assets have not been physically verified by the management during the year but there is a verification programme to ensure that all assets are verified at least once in every three years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. The discrepancies noticed on verification were not material and have been properly dealt with in the books of accounts.
2.
 - a) The securities held as stock in trade have been verified by the Management with the statement of holdings provided by depository participants and brokers at reasonable intervals. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion, the procedures of confirmation of securities held as stock in trade 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 the Company relating to securities held as stock in trade, in our opinion, the Company has maintained proper records of stock in trade and no material discrepancies between the book records and the statement of holdings provided by NSDL, other depository participants and brokers have been noticed.



3. The Company has granted unsecured loan to two companies covered in the register maintained under section 189 of The Companies Act, 2013.
 - (a) The receipt of principal amounts and interest if any in respect of such loans during the year has been regular/ as per stipulation.
 - (b) As per records of the company and according to the information and explanations given to us, no amount of principal and interest is overdue.
4. In our opinion and according to the information and explanations given to us the Company has an adequate internal control procedure commensurate with the size and nature of its business, with regard to the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal controls.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public.
6. We are informed that maintenance of cost records has not been prescribed by the Central Government under section 148 of the Companies Act, 2013 in respect of the activities carried by the company.
7.
 - a) As per the records of the Company, the Company is generally regular in depositing the statutory dues including provident fund, income tax, wealth tax, service tax, cess and other material statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amount in respect of income tax, sales tax, service tax, custom duty, wealth tax, excise duty, cess applicable to it is outstanding as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
 - b) According to the information and explanations given to us and on the basis of examination of records of the Company provident fund, sales tax, income tax, wealth tax, cess which have not been deposited on account of dispute are given below:

Name of the Statute	Nature of Dues	Financial Year	Amount (₹)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	2010-2011	550703	Commissioner of Appeals

- c) According to the information and explanations given to us and on the basis of examination of records of the Company, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund within time.
8. The Company has no accumulated losses as at 31st March, 2015 and has not incurred cash loss in the current financial year and the immediately preceding financial year.
9. The Company has not defaulted in payments of any dues to financial institutions, banks or debenture holders.
10. In our opinion and according to the information and explanations given to us, the terms & conditions on which the Company has given guarantees for loan taken by other party from bank or financial institution are not prejudicial to the interest of the Company.
11. According to the information and explanations given to us and the record examined by us, the Company has not taken any term loans.
12. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the period covered by our audit.

For Arora Banthia & Tulsiyan
Chartered Accountants
Firm No:007028C

CA Ajay Tulsiyan
Partner
Membership No. : 74868
Indore, 29th May, 2015

Standalone Balance Sheet as at 31st March, 2015

Particulars	Note No.	31 st March, 2015 (₹)	31 st March, 2014 (₹)
EQUITY & LIABILITIES			
Shareholders' fund			
Share Capital	2	10,41,12,800	10,41,12,800
Reserves and Surplus	3	46,40,00,743	41,94,78,235
		56,81,13,543	52,35,91,035
Non-Current Liabilities			
Deferred Tax Liabilities (net)	4	36,78,405	73,95,231
		36,78,405	73,95,231
Current Liabilities			
Short-Term Borrowings	5	11,801	71,958
Trade Payables	6	17,94,08,665	19,36,22,742
Other Current Liabilities	7	10,37,07,484	8,96,79,198
Short-Term Provisions	8	2,25,35,950	1,82,71,016
		30,56,63,900	30,16,44,913
TOTAL		87,74,55,848	83,26,31,179
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	9	8,19,14,821	9,36,67,153
Intangible Assets	9	21,73,180	38,00,518
Non-Current Investments	10	12,31,16,980	7,96,86,480
Other Non-Current Assets	11	2,10,85,000	2,10,85,000
		22,82,89,981	19,82,39,151
Current Assets			
Current Investments	12	13,03,95,332	9,66,85,091
Inventories	13	3,09,10,697	3,69,92,564
Trade Receivables	14	19,07,16,484	9,46,23,965
Cash and Cash Equivalents	15	24,46,21,778	30,85,25,509
Short-Term Loans and Advances	16	4,32,980	2,02,09,200
Other Current Assets	17	5,20,88,595	7,73,55,700
		64,91,65,867	63,43,92,029
TOTAL		87,74,55,848	83,26,31,179

Significant Accounting Policies and Notes on Financial Statements

1 to 34

As per our report of even date

For Arora Banthia & Tulsiyan

Chartered Accountants

Firm No:007028C

CA Ajay Tulsiyan

Partner

Membership No. : 74868

Indore, 29th May, 2015

For and on behalf of the board

Ashok Kumar Jain

Chairman and

Managing Director

DIN-00184729

Anita S Gandhi

(Whole Time Director)

DIN-02864338

Mahesh Pancholi

Company Secretary

Tarun Goyal

Chief Financial Officer



Standalone Statement of Profit and Loss for the **year ended 31st March, 2015**

Particulars	Note No.	31 st March, 2015 (₹)	31 st March, 2014 (₹)
Income			
I Revenue from Operations	18	46,56,04,331	31,53,74,174
II Other income	19	2,82,14,778	4,13,38,626
III Total Revenue (I+II)		49,38,19,109	35,67,12,800
IV Expenses			
Employee benefits expenses	20	9,17,68,131	7,62,55,180
Finance costs	21	2,38,33,341	1,16,53,386
Other expenses	22	26,61,54,056	19,61,87,972
Net depreciation and amortization expenses	9	1,07,20,044	1,07,09,998
TOTAL (IV)		39,24,75,572	29,48,06,535
V Profit Before Exceptional and Extraordinary Items and Tax (III-IV)		10,13,43,537	6,19,06,265
VI Exceptional items		0	2,86,51,143
VII Profit Before Extraordinary Items and Tax (V-VI)		10,13,43,537	3,32,55,121
VIII Extraordinary Items		0	0
IX Profit Before Tax (VII-VIII)		10,13,43,537	3,32,55,121
X Tax expenses			
Current tax		3,43,69,900	84,72,270
Deferred tax		-37,16,826	-3,43,880
Total tax expenses		3,06,53,074	81,28,390
XI Profit/(loss) for the year		7,06,90,463	2,51,26,731
XII Earnings per Share	24		
Equity Shares of ₹5 each			
Basic		3.39	1.21
Diluted		3.39	1.21

Significant Accounting Policies and Notes on Financial Statements

1 to 34

As per our report of even date

For Arora Bantia & Tulsian

Chartered Accountants

Firm No:007028C

CA Ajay Tulsian

Partner

Membership No. : 74868

Indore, 29th May, 2015

For and on behalf of the board

Ashok Kumar Jain

Chairman and

Managing Director

DIN-00184729

Anita S Gandhi

(Whole Time Director)

DIN-02864338

Mahesh Pancholi

Company Secretary

Tarun Goyal

Chief Financial Officer

Standalone Cash Flow Statement for the year ended 31st March, 2015

Particulars	Note No.	31 st March, 2015 (₹)	31 st March, 2014 (₹)
Cash flow from operating Activities			
Net profit before taxation		10,13,43,537	3,32,55,121
Add adjustments for :			
(Profit) / Loss on sale of fixed assets		3,69,965	4,25,637
Depreciation / amortisation		1,07,20,044	1,07,09,998
Dividend income		-16,09,044	-23,41,961
Operating profit before working capital changes		11,08,24,502	4,20,48,796
Adjustments for changes in working capital :			
- Trade and other receivables		-9,60,92,520	11,45,07,242
- Inventories		60,81,867	-3,69,92,564
- Loans & advances		4,53,06,957	-2,44,00,510
- Trade and other payables		-1,85,791	-50,07,105
Cash generated from operation		6,59,35,017	9,01,55,859
- Taxes paid (net)		-3,08,36,968	-25,86,906
Net cash from Operating Activities (A)		3,50,98,049	8,75,68,953
Cash flow from Investing Activities			
(Purchase) / Sales of fixed assets		-51,38,911	-37,06,796
(Purchase) / Sales of investments		-7,71,40,741	45,17,636
Dividend received		16,09,044	23,41,961
Net cash used in Investing Activities(B)		-8,06,70,608	31,52,801
Cash flow from Financing Activities			
Dividend paid		-1,56,16,920	-1,56,16,920
Dividend distribution tax paid		-26,54,096	-26,54,096
Increase/ (Decrease) in secured loans		-60,157	6,820
Net cash used in Financing Activities(C)		-1,83,31,172	-1,82,64,196
Net increase in cash and cash equivalents (A+B+C)		-6,39,03,731	7,24,57,559
Cash and cash equivalents at the beginning of the year		30,85,25,509	23,60,67,951
Cash and cash equivalents at the end of the year		24,46,21,778	30,85,25,509
Cash and cash equivalents comprise of			
Cash and cheques in hand		99,167	1,13,789
Balances with scheduled banks		24,45,22,612	30,84,11,720
TOTAL		24,46,21,778	30,85,25,509

Significant Accounting Policies and Notes on Financial Statements

1 to 34

As per our report of even date

For and on behalf of the board

For Arora Banthia & Tulsyan

Chartered Accountants

Firm No:007028C

CA Ajay Tulsyan

Partner

Membership No. : 74868

Indore, 29th May, 2015**Ashok Kumar Jain**

Chairman and

Managing Director

DIN-00184729

Anita S Gandhi

(Whole Time Director)

DIN-02864338

Mahesh Pancholi

Company Secretary

Tarun Goyal

Chief Financial Officer



Notes Forming Part of **Standalone Financial Statements**

NOTE 1: STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

(i) (a) BASIS OF PREPARATION

The financial statements have been prepared to comply with applicable accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013. The accounts are prepared on historical cost basis and on the principle of going concern. Accounting policies not specifically referred to are in consonance with prudent and generally accepted accounting practices. The accounting policies have been consistently applied unless otherwise stated.

(b) USE OF ESTIMATES

The preparation of financial statements is in conformity with generally accepted accounting principles which require the management of the company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and results of operations during the reporting periods. Although these estimates are based upon the management's best knowledge of current events & actions, actual results could differ from those estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

(ii) REVENUE RECOGNITION

- a) Company recognizes Brokerage Income on the basis of the date of trade of settlement, of respective stock exchanges.
- b) Other Income is accounted for on accrual basis.
- c) The Maintenance Charges in respect of Account Holders of the Depository Division of the Company are accounted on pro-rata basis. In case of receipt of lifetime fees, the total amount received is recognized in the period of receipt.
- d) Incentive on primary market subscription – mobilization is accounted on the basis of intimation received by the Company.

(iii) VALUATION OF INVENTORIES

Securities Shown as Inventories are valued scrip wise at Weighted Average Cost of the day or Market Value whichever is lower. Cost includes direct expenses.

Inventories (Land) are valued at Cost or Market Value whichever is lower. Cost includes direct expenses.

(iv) FIXED ASSETS

Fixed assets are stated at historical cost less accumulated depreciation. Historical cost comprises the purchase price and all direct cost attributable to bring the asset to its working condition for intended use.

(v) DEPRECIATION

Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets as mentioned and envisaged under Schedule II of the Companies Act, 2013. Depreciation for assets purchased / sold during a period is proportionately charged. Intangible assets are amortized over their respective individual estimated lives on a straight-line basis, commencing from the date the asset is available to the Company for its use.

(vi) IMPAIRMENT OF ASSETS

Impairment loss, if any, is provided to the extent the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

(vii) INVESTMENTS

Investments are classified into current investments and non-current investments. Investments which are intended to be held for more than one year are classified as non-current investments and investments which are intended to be held for less than one year are classified as current investments. Investments are accounted at cost and any decline in the carrying value other than temporary in nature is provided for.



Notes Forming Part of **Standalone Financial Statements**

(viii) CASH & CASH EQUIVALENTS

Cash comprises of cash in hand and balances with banks. Cash equivalents are short term, highly liquid investments that are readily convertible into cash and which are subject to insignificant risks of changes in value.

(ix) FOREIGN EXCHANGE TRANSACTIONS

- (a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- (b) Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.
- (c) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

(x) EARNING PER SHARE

The Company reports Basic and Diluted Earning Per Share in accordance with Accounting Standard –20, “Earning Per Share” issued by The Institute of Chartered Accountants of India. Basic Earning Per Share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the period. Diluted Earning Per Share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

(xi) TAXATION

- a) Current corporate tax is provided on the results for the year after considering applicable tax rates and laws.
- b) Deferred Tax is provided on timing differences between tax and accounting treatments that originate in one period and are expected to be reversed or settled in subsequent periods. Deferred tax assets and liabilities are measured using the enacted / substantially enacted tax rates and laws for continuing operations. Deferred tax assets, in the event of unabsorbed depreciation and carry forward losses under tax laws, that exceed the deferred tax liability, are recognized only where there virtual certainty of realization. Deferred tax assets on other accounts are recognized only to the extent there is reasonable certainty of realization. The carrying amount of deferred tax assets is reviewed at each balance sheet date to reassess realization.
- c) Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

(xii) RETIREMENT BENEFITS

- a) Gratuity liability is a defined benefit obligation and is wholly unfunded. The Company accounts for liability for future gratuity benefits based on actuarial assumptions.
- b) Provident fund is a defined contribution scheme and the contributions as required by the statute are charged to the Profit and Loss Account as incurred.

(xiii) EQUITY INDEX/ STOCK FUTURES

- a) “Initial Margin – Equity Derivative Instrument”, representing the initial margin paid for entering into contracts for equity index/stock futures which are released on final settlement/squaring-up of underlying contracts, are disclosed under Other Current Assets.
- b) Equity index/stock futures for arbitrage purposes are marked-to-market on a daily basis. Debit or credit balance disclosed under Other Current Assets or Other Current Liabilities, respectively, in the “Mark-to-Market Margin – Equity Index/Stock Futures Account”, represents the net amount paid or received on the basis of movement in the prices of index/ stock futures till the Balance Sheet date.



Notes Forming Part of **Standalone Financial Statements**

- c) As on the Balance Sheet date, profit/loss on open positions in equity index/ stock futures is accounted for as follows:
1. Credit balance in the "Mark-to-Market Margin – Equity Index/Stock Futures Account", being the anticipated profit, is ignored and no credit for the same is taken in the Profit and Loss Account.
 2. Debit balance in the "Mark-to-Market Margin – Equity Index/Stock Futures Account", being anticipated loss, is adjusted in the Profit and Loss Account.
- d) On final settlement or squaring-up of contracts for equity index/stock futures, the profit or loss is calculated as the difference between the settlement/squaring-up price and the contract price. Accordingly, debit or credit balance pertaining to the settled/squared-up contract in "Mark-to-Market Margin – Equity Index/ Stock Futures Account" after adjustment of provision for anticipated losses is recognised in the Profit and Loss Account.
- e) When more than one contract in respect of the relevant series of equity index/ stock futures contract to which the squared-up contract pertains is outstanding at the time of the squaring-up of the contract, the contract price of the contract so squared-up is determined using the weighted average cost method for calculating the profit/loss on squaring-up.

(xiv) EQUITY INDEX/ STOCK OPTIONS

- a) "Initial Margin Equity Derivative Instrument" representing the initial margin paid, and "Margin Deposit", representing the additional margin paid over and above the initial margin, for entering into contracts for equity index/ stock options, which are released on final settlement/squaring-up of the underlying contracts, are disclosed under Other Current Assets.
- b) "Equity Index/Stock Option Premium Account" represents the premium paid or received for buying or selling the options, respectively.
- c) As at the Balance Sheet date, in the case of long positions, provision is made for the amount by which the premium paid for those options exceeds the premium prevailing on the Balance Sheet date, and in the case of short positions, for the amount by which the premium prevailing on the Balance Sheet date exceeds the premium received for those options, and is reflected in "Provision for Loss on Equity Index/ Stock Option Account".
- d) When the options are squared up before expiry of the options, the premium prevailing in "Equity Index/Stock Option Premium Account" on that date is recognised in the Profit and Loss Account. If more than one option contract in respect of the same index/stock with the same strike price and expiry date to which the squared-up contract pertains is outstanding at the time of squaring-up of the contract, the weighted average method is followed for determining the profit or loss. On the expiry of the contracts and on exercising the options, the difference between the final settlement price and the strike price is transferred to the Profit and Loss Account. In both the above cases, the premium paid or received for buying or selling the option, as the case may be, is recognised in the Profit and Loss Account for all squared-up/settled contracts.

(xv) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognized for present obligations, of uncertain timing or amount, arising as a result of a past event where a reliable estimate can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Where it is not probable that an outflow of resources embodying economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability unless the possibility of outflow of resources embodying economic benefits is remote.

Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events, are also disclosed as contingent liabilities unless the possibility of outflow of resources embodying economic benefits is remote.



Notes Forming Part of **Standalone Financial Statement**

Particulars	31 st March, 2015 (₹)	31 st March, 2014 (₹)
2. Share Capital		
Authorised		
2,50,00,000 (2,50,00,000) equity share of ₹5/- each	12,50,00,000	12,50,00,000
Issued, Subscribed & Paid up		
2,08,22,560 (2,08,22,560) equity share of ₹5/- each #	10,41,12,800	10,41,12,800
TOTAL	10,41,12,800	10,41,12,800
# 78,08,460 (78,08,460) shares out of the issued, subscribed and paid up share capital were allotted as bonus shares in last five years by capitalisation of General Reserves.		
a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period		
Equity Shares of face value ₹5/-		
Share outstanding at the beginning of the period	2,08,22,560	2,08,22,560
Share outstanding at the end of period	2,08,22,560	2,08,22,560
b. Terms/rights attached to equity shares		
The company has one class of equity shares having a par value of ₹ 5 per share. Each shareholder is eligible for one vote per share held.		
c. List of the Shareholders holding more than 5% of the total number of shares issued by the company		
Name of the shareholders		
Ashok Kumar Jain	60,63,040 (29.12%)	60,63,040 (29.12%)
Kiran Jain	47,28,320 (22.71%)	47,28,320 (22.71%)
Sunil Kumar Jain	16,06,656 (7.71%)	16,06,656 (7.71%)
Arpit Jain	11,47,840 (5.51%)	11,47,840 (5.51%)
3. Reserves and Surplus		
General Reserve		
Balance as per the last financial statements	40,77,70,709	40,27,70,709
Add: Transfer from Profit & Loss	4,00,00,000	50,00,000
Less: Adjustment relating to Fixed Assets (Refer Note 9)	74,28,570	0
Closing Balance	44,03,42,139	40,77,70,709
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statements	1,17,07,526	98,51,810
Profit for the year	7,06,90,463	2,51,26,731
Less: Appropriations		
Proposed dividend on equity shares	1,56,16,920	1,56,16,920
[Dividend per share ₹0.75 (Previous year ₹0.75)]		
Tax on proposed equity dividend	31,22,466	26,54,096
Transfer to General Reserve	4,00,00,000	50,00,000
Net surplus in the statement of Profit and Loss	2,36,58,603	1,17,07,526
TOTAL	46,40,00,743	41,94,78,235



Notes Forming Part of **Standalone Financial Statement**

Particulars	31 st March, 2015 (₹)	31 st March, 2014 (₹)
4. Deferred Tax Liabilities/ (Assets)		
Deferred Tax Liabilities		
Related to Fixed Assets	59,68,167	89,56,987
TOTAL (A)	59,68,167	89,56,987
Deferred Tax Assets		
Disallowance under the Income Tax Act, 1961	22,89,762	15,61,757
Unabsorbed Losses	0	0
TOTAL (B)	22,89,762	15,61,757
Net Deferred Tax Liabilities /(Assets) [(A)-(B)]	36,78,405	73,95,231
5. Short Term Borrowings		
Secured		
From Bank*	11,801	71,958
TOTAL	11,801	71,958
* Loans from bank are secured against pledge of fixed deposit receipt and securities owned by company.		
6. Trade Payables		
Sundry Creditors (Includes Trade Payables)		
Other than Micro, Small and Medium Enterprises	17,94,08,665	19,36,22,742
Micro, Small and Medium Enterprises	0	0
(Refer Note 29)		
TOTAL	17,94,08,665	19,36,22,742
7. Other Current Liabilities		
Other Payables	5,85,73,590	3,85,86,260
Unpaid Dividend #	21,48,102	22,44,665
Deposits from Intermediaries	4,29,85,792	4,88,48,273
TOTAL	10,37,07,484	8,96,79,198
# Out of the above amount, the company is required to credit a sum of ₹3,28,980/- lying in the unpaid dividend account, on or before 31 st October, 2015 to the Investor Education & Protection Fund pursuant to Sub -section (1) of Section 125 of The Companies Act, 2013.		
8. Short-Term Provisions		
Proposed Dividend	1,56,16,920	1,56,16,920
Provision for current tax (net of tax)	37,96,564	0
Tax on Dividend	31,22,466	26,54,096
TOTAL	2,25,35,950	1,82,71,016

Notes Forming Part of Standalone Financial Statement

9. Fixed Assets

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 1 st April 2014	Additions for the Year	Deductions Adjustment for the Year	As at 31 st March, 2015	As at 1 st April 2014	For the Year	On Deductions	Adjusted with Retained Earning	As at 31 st March, 2015	As at 31 st March, 2014
Tangible Assets										
Building	6,87,56,913	0	16,12,600	6,71,44,313	34,14,215	10,69,573	44,976	0	44,38,812	6,53,42,698
Furniture & Fixtures	2,15,28,050	38,14,388	29,48,343	2,23,94,095	95,94,684	35,11,739	14,29,656	2,03,819	1,18,80,586	1,19,33,366
Office Equipments	1,02,08,878	8,75,462	4,43,513	1,06,40,827	28,18,165	19,88,468	4,06,710	38,98,794	82,98,717	73,90,713
Computers	3,09,36,973	28,09,690	19,600	3,37,27,063	2,54,17,880	18,86,013	19,600	32,06,389	3,04,90,683	55,19,093
Electrical Installations	12,50,929	4,58,917	2,44,000	14,65,846	9,12,153	64,622	1,77,601	0	7,99,174	3,38,776
Motor Vehicles	49,51,702	0	0	49,51,702	18,09,194	6,20,429	0	71,429	25,01,053	31,42,508
Sub Total (A)	13,76,33,445	79,58,457	52,68,056	14,03,23,846	4,39,66,291	91,40,845	20,78,543	73,80,432	5,84,09,025	9,36,67,154
Intangible Assets										
Software	1,40,55,266	0	0	1,40,55,266	1,02,54,749	15,79,199	0	48,138	1,18,82,086	38,00,517
Sub Total (B)	1,40,55,266	0	0	1,40,55,266	1,02,54,749	15,79,199	0	48,138	1,18,82,086	38,00,517
Total (A+B)	15,16,88,711	79,58,457	52,68,056	15,43,79,112	5,42,21,040	1,07,20,044	20,78,543	74,28,570	7,02,91,111	9,74,67,671
Previous year	18,81,48,879	63,81,205	4,28,41,373	15,16,88,711	8,32,52,369	1,07,09,998	3,97,41,327	0	5,42,21,040	9,74,67,671

Note :

Pursuant to the notification of Schedule II of the Companies Act 2013, by the Ministry of Corporate Affairs effective 1st April 2014, the company has applied the estimated useful lives as specified in Schedule II, except in respect of intangible assets as disclosed in Accounting Policy on Depreciation and Amortisation.

- Accordingly the unamortised carrying amount as at 1st April 2014 is being depreciated / amortised over the revised remaining useful life of the asset.
- In accordance with the option provided in transitional provisions in Schedule II of the Companies Act 2013, where the remaining useful life of an asset is NIL as at 1st April 2014, the remaining carrying value, after retaining residual value have been adjusted net of tax, in the opening balance of Profit and Loss Account / retained earnings amounting to ₹74,28,570/-.



Notes Forming Part of **Standalone Financial Statement**

Particulars	FV (₹)	31 st March, 2015 (Qty.)	31 st March, 2015 (₹)	31 st March, 2014 (Qty.)	31 st March, 2014 (₹)
10. Non Current Investments					
Trade Investments					
In Equity Shares - Unquoted, fully paid up					
BSE Limited	1	20000	0	20000	0
Saurashtra Kutch Stock Exchange Limited	100	50	5,05,000	50	5,05,000
Total Trade Investment (A)			5,05,000		5,05,000
Other Investments					
In Equity Shares of Subsidiary Companies					
Unquoted, fully paid up					
Arihant Lifespace Infra Developers Limited	10	450000	4,05,00,000	450000	4,05,00,000
Arihant Futures & Commodities Limited	10	354500	78,02,045	354500	78,02,045
Arihant Insurance Broking Services Limited	10	750000	75,00,000	750000	75,00,000
Arihant Financial Services Limited	10	250000	2,06,24,435	250000	2,06,24,435
Arihant Financial Planners and Advisors Pvt. Ltd.	10	128050	12,80,500	21000	2,10,000
Ahinsa Lifespace Infraheight Limited	10	1900000	1,90,00,000	50000	5,00,000
Arihant Housing Finance Corporation Limited	10	2500000	2,50,00,000	0	0
Quest Global Technologies Limited	10	0	0	204000	20,40,000
			12,17,06,980		7,91,76,480
In Equity Shares - Unquoted, fully paid up					
The Saraswat Co-Operative Bank Limited	10	500	5,000	500	5,000
Quest Global Technologies Limited	10	90000	9,00,000	0	0
			9,05,000		5,000
Total Other Investment (B)			12,26,11,980		7,91,81,480
Total Non Current Investments (A+B)			12,31,16,980		7,96,86,480
11. Other Non Current Assets					
(Unsecured, considered good)					
Deposits with Exchanges / Depositories			2,10,85,000		2,10,85,000
TOTAL			2,10,85,000		2,10,85,000
12. Current Investments					
Investment in Equity Shares - Quoted, fully paid up					
Bajaj Corp Limited	1	60575	2,74,87,731	0	0
Bajaj Holding & Investment Limited	10	0	0	6000	57,96,777
Corporation Bank	2	0	0	62476	3,03,78,144
Dewan Housing Finance Corporation Limited	10	100000	3,32,33,769	177033	3,87,72,672
IDBI Bank Limited	10	100000	1,62,16,582	100000	1,62,16,582
IFB Industries Limited	10	12500	71,62,501	0	0
IDFC Limited	10	100000	1,62,11,250	0	0
Mahindra Lifespace Developers Limited	10	0	0	15256	55,20,916
Marico Limited	1	50000	1,55,13,391	0	0
WABCO India Limited	5	700	38,29,000	0	0
Whirlpool of India Limited	10	14614	1,07,41,108	0	0
TOTAL			13,03,95,332		9,66,85,091

Market value of Quoted Investments ₹13,96,66,119/- (Previous Year ₹7,23,21,038/-)


 Notes Forming Part of **Standalone Financial Statement**

Particulars	FV (₹)	31 st March, 2015 (Qty.)	31 st March, 2015 (₹)	31 st March, 2014 (Qty.)	31 st March, 2014 (₹)
13. Inventories					
Stock in Trade					
Quoted Equity Shares					
Bajaj Holding & Investment Limited	10	1000	12,96,250	0	0
Cipla Limited	2	3000	20,90,062	0	0
Force Motors Limited	10	7500	96,18,671	0	0
Godrej Consumer Products Limited	1	4400	45,80,180	0	0
Godrej Properties Limited	5	0	0	30000	54,90,188
IDFC Limited	10	0	0	50000	56,94,375
IPCA Laboratories Limited	2	0	0	2872	23,58,917
LIC Housing Finance Limited	2	0	0	5000	11,34,250
Mahindra Holidays & Resorts India Limited	10	0	0	30606	70,56,213
Mahindra Lifespace Developers Limited	10	3011	13,92,587	0	0
Multi Commodity Exchange of India Limited	10	3000	33,67,350	0	0
Oberoi Realty Limited	10	0	0	23302	50,78,671
Shilpa Medicare Limited	2	2983	27,96,424	0	0
Tata Coffee Limited	1	0	0	11000	1,01,79,950
Timken India Limited	10	4368	24,51,546	0	0
Torrent Pharmaceuticals Limited	5	2943	33,17,627	0	0
TOTAL			3,09,10,697		3,69,92,564
Aggregate Value of Stock-in-Trade					
- At Cost			3,12,52,020		3,74,64,433
- At Market Value			3,23,20,954		3,71,58,501

Particulars	31 st March, 2015 (₹)	31 st March, 2014 (₹)
14. Trade Receivables (Unsecured Considered good, except where provided for)		
Debts over six months	2,38,86,753	3,14,50,491
Other Debts	16,68,29,731	6,31,73,474
TOTAL	19,07,16,484	9,46,23,965
15. Cash and Cash Equivalents		
Balances with banks		
On current accounts	96,49,509	1,51,67,056
On deposit account*	23,27,25,000	29,10,00,000
On Unclaimed dividend account	21,48,102	22,44,665
Cash on hand	99,167	1,13,789
TOTAL	24,46,21,778	30,85,25,509

* Fixed deposits with bank include deposits of ₹17,83,00,000/- (previous year ₹15,80,00,000) with maturity of more than 12 months.



Notes Forming Part of **Standalone Financial Statement**

Particulars	31 st March, 2015 (₹)	31 st March, 2014 (₹)
16. Short-Term Loans and Advances		
(Unsecured, considered good)		
Loan to related parties (Refer note 23)	4,32,980	2,02,09,200
TOTAL	4,32,980	2,02,09,200
17. Other Current Assets		
Deposits with Exchanges / Depositories	1,00,000	77,50,668
Deposit with Related parties (Refer Note 23)	23,75,000	25,25,000
Other Deposits	39,50,990	53,77,568
Other Advances	4,10,16,633	5,73,20,124
Advance income-tax (net)	46,45,972	43,82,340
TOTAL	5,20,88,595	7,73,55,700
18. Revenue From Operations		
Brokerage	34,63,01,413	23,58,34,535
Commission Received (Net)	1,67,50,537	1,92,53,882
Fees From Merchant Banking	72,95,259	66,96,499
Deferred Payment Charges	5,51,49,372	2,82,62,941
Depository Receipts	2,09,35,836	1,35,15,274
Profit/(Loss) on Trading*	1,17,27,150	10,21,168
Profit/(Loss) on Commodity Trading	0	18,39,989
Profit on Sale of Investments (net)	58,35,721	66,07,925
Dividend Income	16,09,044	23,41,961
TOTAL	46,56,04,331	31,53,74,174
*Trading details in cash segment		
Opening Stock	3,69,92,565	0
Purchase (including charges)	37,77,27,794	12,27,28,687
Sales	39,70,39,575	8,72,31,764
Closing Stock	3,09,10,697	3,69,92,564
19. Other Income		
Interest Received	2,48,86,702	3,39,54,530
Rent	27,28,685	62,37,000
Bad debts recovered	2,95,869	2,44,448
Miscellaneous income	3,03,522	9,02,649
TOTAL	2,82,14,778	4,13,38,626

Notes Forming Part of **Standalone Financial Statement**

Particulars	31 st March, 2015 (₹)	31 st March, 2014 (₹)
20. Employee Benefits Expenses		
Salaries, wages and bonus	8,61,70,396	7,34,62,868
Contribution to provident and other fund	3,29,334	3,93,678
Gratuity expense	34,30,247	7,20,733
Staff welfare expenses (Refer Note No.25)	18,38,155	16,77,901
TOTAL	9,17,68,131	7,62,55,180
21. Finance Costs		
Interest expenses	2,38,33,341	1,16,53,386
TOTAL	2,38,33,341	1,16,53,386
22. Other Expenses		
Advertisement	8,66,324	1,59,047
Auditors' Remuneration		
Audit fee	4,50,000	4,50,000
Taxation matters	62,500	5,60,000
Limited review	45,000	30,000
Other services	51,000	54,000
Bad Debts Written Off	73,25,011	1,05,82,535
Bank & Depository Charges	44,18,054	30,92,436
Business Development	22,28,116	3,50,607
Communication including V-Sat	80,66,388	78,89,067
Depository Charges	87,20,794	20,35,594
Electricity	44,29,800	41,54,940
Exchange Transaction Charges	2,28,26,970	1,85,73,589
Insurance	3,02,691	4,46,539
Legal and Professional	57,54,175	32,66,126
Loss on Sale of Fixed Assets	3,69,965	4,25,637
Membership Fee & Subscription	21,70,115	13,29,376
Miscellaneous	25,79,150	26,19,990
Office Establishment	14,52,046	15,48,340
Rent	1,15,08,834	1,41,43,620
Repairs & Maintenance	59,38,877	39,47,679
Software Maintenance	55,31,241	52,40,931
Stationery & Printing	14,72,504	11,23,080
Sub Brokerage/Referral Fees	16,59,17,981	11,09,51,526
Travelling, Conveyance and Motor Car	36,66,520	32,13,313
TOTAL	26,61,54,056	19,61,87,972



Notes Forming Part of **Standalone Financial Statement**

23. Related party transactions

Related party disclosures, as required by Accounting Standard 18, "Related Party Disclosures" issued by the Institute of Chartered Accountants of India for the year ended 31st March, 2015 are given below:

Relationships (During the year)	
Key Management Personnel	Mr. Ashok Kumar Jain, Chairman & Managing Director Mr. Sunil Kumar Jain, Director Mr. Akhilesh Rathi, Director Mrs. Anita S Gandhi, Whole Time Director Mr. Parag R. Shah, Director Mr. Pankaj Kumar Gupta, Director Mr. Rakesh Jain, Director
Subsidiaries	Arihant Futures & Commodities Limited Arihant Financial Services Limited Arihant Lifespace Infra Developers Limited (Formerly known as Arihant Finsec Limited) Quest Global Technologies Limited (Formerly Known as Arihant Quality Educational Services And Trainings Limited) (Upto 31.03.2015) Arihant Insurance Broking Services Limited Arihant Financial Planners & Advisors Private Limited Ahinsa Lifespace Infraheight Limited Arihant Housing Finance Corporation Limited
Relatives of Key Management Personnel	Arpit Jain Ashok Kumar Jain HUF Kiran Jain Shruti Jain
Enterprises over which control	M/s. Shyam Developers

Particulars	Key Management Personnel	Relatives of Key Management Personnel	Subsidiaries	Enterprise over which control	Total
Brokerage Received					
Arihant Lifespace Infra Developers Ltd.	0	0	441944	0	441944
	0	0	228896	0	228896
Depository Charges Received					
Arihant Financial Services Limited	0	0	2657	0	2657
	0	0	369	0	369
Arihant Lifespace Infra Developers Ltd.	0	0	130629	0	130629
	0	0	11063	0	11063
Arihant Futures & Commodities Ltd	0	0	8736	0	8736
	0	0	50198	0	50198



Notes Forming Part of **Standalone Financial Statement**

Particulars	Key Management Personnel	Relatives of Key Management Personnel	Subsidiaries	Enterprise over which control	Total
Interest Received					
Arihant Financial Services Limited	0	0	0	0	0
	0	0	109891	0	109891
Expenses Recovered					
Arihant Futures & Commodities Ltd	0	0	450912	0	450912
	0	0	454998	0	454998
Expenses					
Salary & Incentive *	11301500	619831	0	0	11921331
	6631023	612594	0	0	7243617
Rent #	0	2850000	0	0	2850000
	0	3000000	0	0	3000000
Legal & Professional \$	0	0	0	0	0
	0	123596	0	0	123596
Sitting Fees %	320000	0	0	0	320000
	320000	0	0	0	320000
Interest Paid					
Arihant Financial Services Limited	0	0	6818779	0	6818779
	0	0	4318001	0	4318001
Staff Welfare					
Quest Global Technologies Limited	0	0	1350000	0	1350000
	0	0	0	0	0
Commission Paid					
Arihant Financial Planners & Advisors Pvt. Ltd	0	0	21556	0	21556
	0	0	77443	0	77443
Brokerage Paid					
Arihant Futures & Commodities Ltd	0	0	0	0	0
	0	0	26398	0	26398
Assets					
Fixed Asset					
Quest Global Technologies Limited	0	0	0	0	0
	0	0	40000	0	40000
Rent Deposits ^	0	2375000	0	0	2375000
	0	2525000	0	0	2525000
Loans Given					
Arihant Financial Services Limited (Maximum Outstanding)	0	0	18750000	0	18750000
	0	0	73450000	0	73450000
Quest Global Technologies Limited (Maximum Outstanding)	0	0	2191200	0	2191200
	0	0	1459200	0	1459200



Notes Forming Part of **Standalone Financial Statement**

Particulars	Key Management Personnel	Relatives of Key Management Personnel	Subsidiaries	Enterprise over which control	Total
Liabilities					
Loans Taken					
Arihant Financial Services Limited					
(Maximum Outstanding)	0	0	178575000	0	178575000
	<i>0</i>	<i>0</i>	<i>104950000</i>	<i>0</i>	<i>104950000</i>
Loans Outstanding at the year end					
Loans Given					
Arihant Financial Services Limited	0	0	0	0	0
	<i>0</i>	<i>0</i>	<i>18750000</i>	<i>0</i>	<i>18750000</i>
Quest Global Technologies Limited	0	0	432980	0	432980
	<i>0</i>	<i>0</i>	<i>1459200</i>	<i>0</i>	<i>1459200</i>
Corporate Guarantee Given					
Arihant Futures & Commodities Ltd	0	0	250000000	0	250000000
	<i>0</i>	<i>0</i>	<i>200000000</i>	<i>0</i>	<i>200000000</i>
Equity Contribution made during the year					
Arihant Financial Planners & Advisors Pvt. Ltd.	0	0	1075500	0	1075500
	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Quest Global Technologies Limited	0	0	0	0	0
	<i>0</i>	<i>0</i>	<i>2040000</i>	<i>0</i>	<i>2040000</i>
Ahinsa Lifespace Infraheight Limited	0	0	18500000	0	18500000
	<i>0</i>	<i>0</i>	<i>500000</i>	<i>0</i>	<i>500000</i>
Arihant Housing Finance Corporation Ltd.	0	0	25000000	0	25000000
	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Advance for Property					
Shyam Developers	0	0	0	27000000	27000000
	<i>0</i>	<i>0</i>	<i>0</i>	<i>27000000</i>	<i>27000000</i>

Figure in italics represents previous year figures

*Payment to key management personnel for Salaries and Incentive includes to Ashok Kumar Jain ₹ 8305500 (Previous Year ₹3674223) and Anita Gandhi ₹ 2996000 (Previous Year ₹2956800) and to relatives of key management personal includes Shruti Jain ₹619831(Previous Year ₹612594).

Rent paid to Kiran Jain ₹2025000 (Previous Year ₹2175000), Ashok Kumar Jain HUF ₹412500 (Previous Year ₹412500) and Arpit Jain ₹412500 (Previous Year ₹412500).

§ Professional fees paid to S.N. Gandhi ₹Nil (Previous Year ₹123596).

% Sitting fees paid to Sunil Kumar Jain ₹60000 (Previous Year ₹60000), Rakesh Jain ₹80000 (Previous Year ₹80000), Pankaj Kumar Gupta ₹40000 (Previous Year ₹60000), Paragbhai Shah ₹60000 (Previous Year ₹60000) and Akhilesh Rathi ₹ 80000 (Previous Year ₹60000).

^ Rent Deposit given includes Kiran Jain ₹1687500 (Previous Year ₹1837500), Ashok Kumar Jain HUF ₹ 343750 (Previous Year ₹343750) and Arpit Jain ₹343750 (Previous Year ₹343750).

Notes Forming Part of **Standalone Financial Statement****24. Earning Per Share**

Particulars	2014-2015	2013-2014
i) Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹)	7,06,90,463	2,51,26,731
ii) Weighted Average number of equity shares used as denominator for calculating EPS	2,08,22,560	2,08,22,560
iii) Basic and Diluted Earnings per Share (₹)	3.39	1.21
iv) Face value per Equity Share (₹)	5	5

25. As per Accounting Standard 15 "Employee Benefits", the disclosure as defined in the Accounting Standard are given below:

Particulars	2014-2015	2013-2014
Defined Contribution Plans		
Employer's Contribution to Provident Fund	3,29,334	3,93,678

Defined Benefit Plan

The gratuity paid by the company is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the financial obligation. The company does not has any policy for leave encashment.

Actuarial Assumptions	2014-2015	2013-2014
Mortality Table (LIC)	2006-08 (Ultimate)	2006-08 (Ultimate)
Discount rate (per annum)	7.93%	8.93%
Rate of escalation in salary (per annum)	5%	5%

26. Income in foreign currency ₹11,809 (previous year ₹51,763). Expenditure in foreign currency ₹Nil(previous year ₹Nil).**27. Contingent Liability & Capital Commitments**

- Bank Guarantees of ₹11000000 (Previous Year ₹11000000) extended to Bombay Stock Exchange Limited under the mandatory rules for membership and ₹66000000(Previous Year ₹48000000) towards additional margin.
- Bank Guarantees of ₹7500000(Previous Year ₹7500000) extended to National Securities Clearing Corporation Limited under the mandatory rules for membership and ₹397000000(Previous Year ₹269500000) towards additional margin.
- Bank Guarantees of ₹1500000 (Previous Year ₹1500000) extended to MCX-SX Clearing Corporation Limited under the mandatory rules for membership and ₹10000000 (Previous Year ₹20000000) towards additional margin.
- Corporate guarantee of ₹250000000 (Previous Year ₹200000000) given to banks on behalf of subsidiary M/s Arihant Futures and Commodities Limited.
- Claims against the Company not acknowledged as debts ₹Nil (Previous Year ₹Nil).
- Income Tax Demand for various years ₹3607534 (₹3571794)

28. Fixed Deposits

Fixed deposits with scheduled banks include ₹4321522 (Previous Year ₹72261000) which is under the lien of National Securities Clearing Corporation Limited, ₹14000000 (Previous Year ₹13000000) which is under the lien of Bombay Stock Exchange Limited, ₹5500000 (Previous Year ₹5500000) which is under the lien of MCX-SX Clearing Corporation Limited.

29. Disclosures under Micro, Small, & Enterprises Development Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises (SME). The Company is in the process of compiling relevant information from its suppliers about their coverage under the said act. Since the relevant information is not readily available, no disclosures have been made in the accounts. however, in view of the management, the amounts due to the suppliers are paid within the mutually agreed credit period and therefore, there will not be any interest that may be payable in accordance with the provisions of the Act.

Notes Forming Part of **Standalone Financial Statement**

30. Securities are normally held by the Company in its own name except securities pledged with exchange. Securities, which are not registered in the name of the Company, are held by the Company with valid transfer documents.

31. Securities received from clients as collateral for margins are held by the Company in its own name in a fiduciary capacity.

32. Segment Reporting

As per the definition of 'Business Segment' and 'Geographical Segment' contained in Accounting Standard 17 "Segment Reporting", the management is of the opinion that the Company's operation comprise of operating in Primary and Secondary market and incidental activities thereto, there is neither more than one reportable business segment nor more than one reportable geographical segment, and, therefore, segment information as per Accounting Standard 17 is not required to be disclosed.

33. Previous year figures

The previous year figures have been regrouped/ reclassified, wherever necessary to conform to current year presentation.

34. In accordance with the General Circular No.2 and 3 dated 8th Feb 2011 and 21st Feb 2011 issued by The Ministry of Corporate Affairs, Government of India, The Balance sheet, the Statement of profit and loss and other documents of the subsidiary are not being attached with the Annual Accounts of the company, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.

As per our report of even date

For Arora Banthia & Tulsian

Chartered Accountants
Firm No:007028C

CA Ajay Tulsian

Partner
Membership No. : 74868
Indore, 29th May, 2015

For and on behalf of the board

Ashok Kumar Jain

Chairman and
Managing Director
DIN-00184729

Anita S Gandhi

(Whole Time Director)
DIN-02864338

Mahesh Pancholi

Company Secretary

Tarun Goyal

Chief Financial Officer

Salient features of Financial Statements of Subsidiaries as per Companies Act , 2013
[Pursuant to first proviso to Sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014 – AOC-1]

Particulars	Name of the subsidiary Companies									
	Name of the Subsidiary	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover/ Total Income	Profit before Taxation	Provision for Taxation	Profit after Taxation
Arihant Financial Services Limited	25,00,000	4,51,15,364	13,09,26,624	13,09,26,624	-	3,56,78,171	1,19,22,762	37,95,096	81,27,665	100.00%
Arihant Lifespace Infra Developers Limited (Previously known as Arihant Finsec Limited)	45,00,000	10,87,05,620	16,89,62,398	16,89,62,398	-	3,94,25,149	3,07,38,949	98,14,845	2,09,24,104	100.00%
Arihant Futures & Commodities Limited	35,50,000	10,31,93,598	41,46,63,356	41,46,63,356	-	7,67,01,490	1,51,27,473	48,97,791	1,02,29,682	99.86%
Arihant Insurance Broking Services Limited	75,00,000	8,22,250	83,90,640	83,90,640	-	8,73,177	1,95,178	65,195	1,29,983	100.00%
Arihant Financial Planners & Advisors Private Limited	25,00,000	2,00,947	27,35,503	27,35,503	7,37,606	3,78,118	4,715	-4,806	9,522	51.22%
Arihant Housing Finance Corporation Limited	2,50,00,000	15,339	2,51,33,211	2,51,33,211	-	16,86,981	29,891	14,552	15,339	100.00%
Ahinsa Lifespace Infraheight Limited	1,90,00,000	-2,35,263	1,87,73,163	1,87,73,163	-	11,099	-3,02,629	-93,513	-2,09,116	100.00%



Independent **Auditors' Report**

To,
The Members,
Arihant Capital Markets Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of ARIHANT CAPITAL MARKETS LIMITED (hereinafter referred to as the "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (herein referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 policies generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2015, and their consolidated profit and their consolidated 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, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and subsidiary companies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:



- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary companies as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and its subsidiary companies, none of the directors of the Group companies is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The consolidated financial statements has disclosed the impact of pending litigations on the consolidated financial position of the Group as referred to in Note 29 to the Financial Statements.
 - (ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies.

For Arora Banthia & Tulsian
Chartered Accountants
Firm No:007028C

CA Ajay Tulsian
Partner
Membership No. : 74868
Indore, 29th May, 2015

Annexure referred to in paragraph 1 under the heading of "report on other legal and regulatory requirements" of our report of even date to the members of **Arihant Capital Markets Limited on the consolidated financial statements for the year ended 31st March 2015**

1. In respect of the fixed assets of the Holding Company and its subsidiary companies:
 - a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) All fixed assets have not been physically verified by the management during the year but there is a verification programme to ensure that all assets are verified at least once in every three years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. The discrepancies noticed on verification were not material and have been properly dealt with in the books of accounts.
2. In respect of the inventories of the Holding Company and its subsidiary companies:
 - a) As explained to us, the inventories were physically verified during the year by the Management of the respective entities at reasonable intervals.
 - 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 of the respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of their business.
 - c) In our opinion and according to the information and explanations given to us, the respective entities have maintained proper records of their inventories and no material discrepancies were noticed on physical verification.



3. The Holding Company and its subsidiary companies have granted loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under section 189 of The Companies Act, 2013:
 - a) The receipts of principal amounts and interest have been regular/ as per stipulations.
 - b) There are no overdue amounts in excess of Rs.1 lakh remaining outstanding as at year-end.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system in the Holding Company and its subsidiary companies commensurate with the size of the respective entities and the nature of their business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our audit no continuing failure to correct major weaknesses in such internal control system has been observed.
5. In our opinion and according to the information and explanations given to us, the Holding Company and its subsidiary companies have not accepted deposits from the public.
6. We are informed that maintenance of cost records has not been prescribed by the Central Government under section 148 of the Companies Act, 2013 in respect of the activities carried by the Holding Company and its subsidiary companies.
7. According to the records of the Company and the information and explanations given to us, in respect of statutory dues of the Holding Company and its subsidiary companies:
 - a) The respective entities have generally been regular in depositing undisputed statutory dues including Provident fund, Income tax, Sales tax Wealth tax, Service tax, Custom duty, Excise duty, Cess and other material statutory dues applicable to the respective entities with the appropriate authorities. There were no material undisputed amounts payable by the respective entities in respect of such dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
 - b) Details of dues of Provident fund, Sales tax, Income tax, Wealth tax, Excise duty, Custom duty, Cess which have not been deposited as on March 31, 2015 on account of dispute are given below:

Name of the Statute	Nature of Dues	Financial Year	Amount (₹)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	2010-2011	5,50,703	Commissioner of Appeals
Income Tax Act, 1961	Income Tax	2010-2011	64,121	Income Tax Appellate Tribunal

- c) The respective entities have been regular in transferring amounts to the Investor Education and Protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made there under within time.
8. The Holding Company and its subsidiary companies do not have consolidated accumulated losses at the end of the financial year nor have they incurred cash losses, on a consolidated basis, during the financial year covered by our audit and in the immediately preceding financial year.
9. In our opinion and according to the information and explanations given to us, the Holding Company and its subsidiary companies have not defaulted in repayments of dues to financial institutions, banks or debenture holders.
10. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Holding Company and its subsidiary companies for loans taken by others from banks and financial institutions are not, prima facie, prejudicial to the interests of the respective companies.
11. In our opinion and according to the information and explanations given to us, the Holding Company and its subsidiary companies have not taken any term loans.
12. To the best of our knowledge and according to the information and explanations given to us, no material fraud on the Holding Company and its subsidiary companies has been noticed or reported during the year.

For Arora Banthia & Tulsian
Chartered Accountants
Firm No:007028C

CA Ajay Tulsian
Partner
Membership No. : 74868
Indore, 29th May, 2015



Consolidated Balance Sheet as at 31st March, 2015

Particulars	Note No.	31 st March, 2015 (₹)	31 st March, 2014 (₹)
EQUITY & LIABILITIES			
Shareholders' fund			
Share Capital	2	10,41,12,800	10,41,12,800
Reserves and Surplus	3	66,31,95,408	57,86,81,686
		76,73,08,208	68,27,94,486
Minority Interest		14,68,207	14,90,042
Non-Current Liabilities			
Deferred Tax Liabilities (net)	4	32,35,894	67,60,606
		32,35,894	67,60,606
Current Liabilities			
Short-Term Borrowings	5	11,801	71,958
Trade Payables	6	47,16,84,288	34,80,83,251
Other Current Liabilities	7	12,05,93,332	15,45,45,257
Short-Term Provisions	8	2,36,55,781	1,83,90,271
		61,59,45,203	52,10,90,737
TOTAL		138,79,57,513	121,21,35,871
ASSETS			
Non-Current Assets			
Fixed Assets	9		
Tangible Assets		10,49,45,511	21,32,72,972
Intangible Assets		23,21,350	41,19,018
Non-Current Investments	10	21,47,606	9,88,451
Other Non-Current Assets	11	2,38,05,000	2,75,05,000
		13,32,19,467	24,58,85,441
Current Assets			
Current Investments	12	13,03,95,332	9,66,85,091
Inventories	13	19,13,84,809	3,69,92,564
Trade Receivables	14	27,66,78,132	21,84,16,394
Cash and Cash Equivalents	15	57,61,57,937	51,91,79,883
Other Current Assets	16	8,01,21,835	9,49,76,499
		125,47,38,046	96,62,50,431
TOTAL		138,79,57,513	121,21,35,871

Significant Accounting Policies and Notes on Financial Statements

1 to 36

As per our report of even date

For and on behalf of the board

For Arora Banthia & Tulsiyan

Chartered Accountants
Firm No:007028C

Ashok Kumar Jain

Chairman and
Managing Director
DIN-00184729

Anita S Gandhi

(Whole Time Director)
DIN-02864338

Mahesh Pancholi

Company Secretary

Tarun Goyal

Chief Financial Officer

CA Ajay Tulsiyan

Partner
Membership No. : 74868
Indore, 29th May, 2015

Consolidated Statement of Profit and Loss for the year ended 31st March, 2015

Particulars	Note No.	31 st March, 2015 (₹)	31 st March, 2014 (₹)
Income			
I Revenue from Operations	17	57,60,39,308	40,62,47,718
II Other income	18	4,52,25,893	5,70,86,949
III TOTAL REVENUE (I+II)		62,12,65,202	46,33,34,667
IV Expenses			
Change in Inventories	19	0	0
Employee benefits expenses	20	11,19,53,111	9,28,80,740
Finance costs	21	2,38,50,698	80,87,849
Other expenses	22	30,95,90,960	25,37,06,076
Net depreciation and amortization expenses	9	1,24,01,694	1,18,86,993
TOTAL (IV)		45,77,96,464	36,65,61,657
V Profit Before Exceptional and Extraordinary Items and Tax (III-IV)		16,34,68,738	9,67,73,010
VI Exceptional items	23	37,00,000	4,80,43,015
VII Profit Before Extraordinary Items and Tax (V-VI)		15,97,68,738	4,87,29,995
VIII Extraordinary Items		0	0
IX Profit Before Tax (VII-VIII)		15,97,68,738	4,87,29,995
X Tax expenses			
Current tax		5,33,24,807	1,28,00,953
Deferred tax		-43,76,490	-98,222
Total Tax Expenses		4,89,48,317	1,27,02,731
XI Profit/(loss) for the year before Minority Interest		11,08,20,421	3,60,27,264
Less : Minority Interest		-14,678	-8,78,860
XII Profit/(loss) for the year		11,08,35,099	3,69,06,124
Earnings per Share			
Equity Shares of ₹5 each	26		
Basic		5.32	1.77
Diluted		5.32	1.77

Significant Accounting Policies and Notes on Financial Statements

1 to 36

As per our report of even date

For Arora Banthia & TulsyanChartered Accountants
Firm No:007028C**CA Ajay Tulsyan**

Partner

Membership No. : 74868

Indore, 29th May, 2015

For and on behalf of the board

Ashok Kumar JainChairman and
Managing Director
DIN-00184729**Anita S Gandhi**(Whole Time Director)
DIN-02864338**Mahesh Pancholi**

Company Secretary

Tarun Goyal

Chief Financial Officer



Consolidated Cash Flow Statement for the **year ended 31st March, 2015**

Particulars	Note No.	31 st March, 2015 (₹)	31 st March, 2014 (₹)
Cash flow from operating Activities			
Net profit before taxation		15,97,68,738	4,87,29,995
Add adjustments for :			
(Profit) / Loss on sale of fixed assets		3,69,965	6,01,029
(Profit) / Loss on sale of Investments		-58,50,904	-67,49,335
Profit on De-subsidiarisation		-9,71,439	0
Preliminary Expenses		11,66,860	87,580
Depreciation / amortisation		1,24,01,694	1,18,86,993
Dividend Income		-27,76,845	-31,44,767
Operating profit before working capital changes		16,41,08,068	5,14,11,495
Adjustments for changes in working capital :			
Adjustments for changes in working capital :			
- Trade and other receivables		-4,28,81,923	3,82,76,608
- Inventories		-15,43,92,245	2,81,49,096
- Loans & Advances		0	17,00,000
- Trade and other payables		8,93,05,671	3,06,88,985
Cash generated from operation		5,61,39,572	15,02,26,183
- Taxes paid (net)		-4,53,52,819	-1,12,14,224
Net cash from Operating Activity (A)		1,07,86,752	13,90,11,959
Cash flow from Investing Activities			
(Purchase) / Sales of fixed assets		8,97,71,480	-6,30,57,520
(Purchase) / Sales of Investments		-2,78,78,492	1,40,25,245
Dividend received		27,76,845	31,44,767
Net Cash Used In Investing Activity (B)		6,46,69,833	-4,58,87,507
Cash flow from Financing Activities			
Dividend Paid		-1,56,16,920	-1,56,16,920
Preliminary Expenses		-11,66,860	-87,580
Proceeds from secured loans		-60,156	6,820
Issue Of Share Capital		10,19,500	19,60,000
Dividend distribution tax paid		-26,54,096	-26,54,096
Net cash used in Financing Activities(C)		-1,84,78,532	-1,63,91,776
Net increase in cash and cash equivalents (A+B+C)		5,69,78,054	7,67,32,676
Cash and cash equivalents at the beginning of the year		51,91,79,883	44,24,47,207
Cash and cash equivalents at the end of the year		57,61,57,937	51,91,79,883
Cash and cash equivalents comprise of			
Cash and cheques in hand		4,38,376	5,23,856
Balances with scheduled banks		57,57,19,561	51,86,56,027
TOTAL		57,61,57,937	51,91,79,883

Significant Accounting Policies and Notes on Financial Statements

1 to 36

As per our report of even date

For Arora Banthia & Tulsiyan

Chartered Accountants
Firm No:007028C

CA Ajay Tulsiyan

Partner
Membership No. : 74868
Indore, 29th May, 2015

For and on behalf of the board

Ashok Kumar Jain
Chairman and
Managing Director
DIN-00184729

Anita S Gandhi
(Whole Time Director)
DIN-02864338

Mahesh Pancholi
Company Secretary

Tarun Goyal
Chief Financial Officer



Notes Forming Part of **Consolidated Financial Statements**

NOTE 1: STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF ACCOUNTING

The financial statements have been prepared to comply with applicable accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013. The accounts are prepared on historical cost basis and on the principle of going concern. Accounting policies not specifically referred to are in consonance with prudent and generally accepted accounting practices. The accounting policies have been consistently applied unless otherwise stated.

B. USE OF ESTIMATES

The preparation of financial statements is in conformity with generally accepted accounting principles which require the management of the company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and results of operations during the reporting periods. Although these estimates are based upon the management's best knowledge of current events & actions, actual results could differ from those estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

C. REVENUE RECOGNITION

- i. Group recognises Brokerage Income and Profit/ (Loss) from Trading of Securities on the basis of the date of trade of settlement, of respective stock exchanges.
- ii. Income from interest on Loans is recognized on accrual basis.
- iii. Other Income is accounted for on accrual basis.
- iv. The Annual Maintenance Charges in respect of Account Holders of the Depository Division of the Group are accounted at the time of opening of account or completion of the year irrespective of the period they pertain to.

D. FIXED ASSETS

Fixed assets are stated at historical cost less accumulated depreciation. Historical cost comprises the purchase price and all direct cost attributable to bring the asset to its working condition for intended use.

E. DEPRECIATION

Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets as mentioned and envisaged under Schedule II of the Companies Act, 2013. Depreciation for assets purchased / sold during a period is proportionately charged. Intangible assets are amortized over their respective individual estimated lives on a straight-line basis, commencing from the date the asset is available to the Company for its use.

F. INVESTMENTS

Investments are classified into long term investments and current investments. Investments which are intended to be held for more than one year are classified as long term investments and investments which are intended to be held for less than one year are classified as current investments. Investments are accounted at cost and any decline in the carrying value other than temporary in nature is provided for.

G. STOCK IN TRADE

Securities Shown as Inventories are valued scrip wise at Weighted Average Cost of the day or Market Value whichever is lower. Cost includes direct expenses.

Inventories (Land) are valued at cost or market value whichever is lower. Cost includes direct expenses.

H. CASH & CASH EQUIVALENTS

Cash comprises cash on hand and balances with banks. Cash equivalents are short term, highly liquid investments that are readily convertible into cash and which are subject to insignificant risks of changes in value



Notes Forming Part of **Consolidated Financial Statements**

I. RETIREMENT BENEFITS

- (a) Gratuity liability is a defined benefit obligation and is wholly unfunded. The Group accounts for liability for future gratuity benefits based on actuarial valuation.
- (b) Provident fund is a defined contribution scheme and the contributions as required by the statute are charged to the Profit and Loss Account as incurred.

J. EQUITY INDEX/ STOCK FUTURES

- (a) "Initial Margin – Equity Derivative Instrument", representing the initial margin paid for entering into contracts for equity index/stock futures which are released on final settlement/squaring-up of underlying contracts, are disclosed under Loans and Advances.
- (b) Equity index/stock futures for arbitrage purposes are marked-to-market on a daily basis. Debit or credit balance disclosed under Loans and Advances or Current Liabilities, respectively, in the "Mark-to-Market Margin – Equity Index/Stock Futures Account", represents the net amount paid or received on the basis of movement in the prices of index/ stock futures till the Balance Sheet date.
- (c) As on the Balance Sheet date, profit/loss on open positions in equity index/ stock futures are accounted for as follows:
 - Credit balance in the "Mark-to-Market Margin – Equity Index/Stock Futures Account", being the anticipated profit, is ignored and no credit for the same is taken in the Profit and Loss Account.
 - Debit balance in the "Mark-to-Market Margin – Equity Index/Stock Futures Account", being anticipated loss, is adjusted in the Profit and Loss Account.
- (d) On final settlement or squaring-up of contracts for equity index/stock futures, the profit or loss is calculated as the difference between the settlement/squaring-up price and the contract price. Accordingly, debit or credit balance pertaining to the settled/squared-up contract in "Mark-to-Market Margin – Equity Index/ Stock Futures Account" after adjustment of provision for anticipated losses is recognised in the Profit and Loss Account.

When more than one contract in respect of the relevant series of equity index/ stock futures contract to which the squared-up contract pertains is outstanding at the time of the squaring-up of the contract, the contract price of the contract so squared-up is determined using the weighted average cost method for calculating the profit/loss on squaring-up.

K. EQUITY INDEX/ STOCK OPTIONS

- (a) "Initial Margin Equity Derivative Instrument" representing the initial margin paid, and "Margin Deposit", representing the additional margin paid over and above the initial margin, for entering into contracts for equity index/ stock options, which are released on final settlement/squaring-up of the underlying contracts, are disclosed under Loans and Advances.
- (b) "Equity Index/Stock Option Premium Account" represents the premium paid or received for buying or selling the options, respectively.
- (c) As at the Balance Sheet date, in the case of long positions, provision is made for the amount by which the premium paid for those options exceeds the premium prevailing on the Balance Sheet date, and in the case of short positions, for the amount by which the premium prevailing on the Balance Sheet date exceeds the premium received for those options, and is reflected in "Provision for Loss on Equity Index/ Stock Option Account".
- (d) When the options are squared up before expiry of the options, the premium prevailing in "Equity Index/Stock Option Premium Account" on that date is recognised in the Profit and Loss Account. If more than one option contract in respect of the same index/stock with the same strike price and expiry date to which the squared-up contract pertains is outstanding at the time of squaring-up of the contract, the weighted average method is followed for determining the profit or loss.

On the expiry of the contracts and on exercising the options, the difference between the final settlement price and the strike price is transferred to the Profit and Loss Account.

In both the above cases, the premium paid or received for buying or selling the option, as the case may be, is recognised in the Profit and Loss Account for all squared-up/settled contracts.



Notes Forming Part of **Consolidated Financial Statements**

L. TAXES ON INCOME

- a) Current corporate tax is provided on the results for the year after considering applicable tax rates and laws.
- b) Deferred Tax is provided on timing differences between tax and accounting treatments that originate in one period and are expected to be reversed or settled in subsequent periods. Deferred tax assets and liabilities are measured using the enacted / substantively enacted tax rates and laws for continuing operations. Deferred tax assets, in the event of unabsorbed depreciation and carry forward losses under tax laws, that exceed the deferred tax liability, are recognized only where there virtual certainty of realization. Deferred tax assets on other accounts are recognized only to the extent there is reasonable certainty of realization. The carrying amount of deferred tax assets is reviewed at each balance sheet date to reassess realization.
- c) Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

M. EARNING PER SHARE

The Group reports Basic and Diluted Earning Per Share in accordance with Accounting Standard –20, “Earning Per Share” issued by The Institute of Chartered Accountants of India. Basic Earning Per Share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the period. Diluted Earning Per Share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

N. FOREIGN CURRENCY TRANSACTIONS

- (a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- (b) Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.
- (c) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

O. IMPAIRMENT OF ASSETS

Impairment loss, if any, is provided to the extent the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset’s net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

P. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognized for present obligations, of uncertain timing or amount, arising as a result of a past event where a reliable estimate can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Where it is not probable that an outflow of resources embodying economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability unless the possibility of outflow of resources embodying economic benefits is remote.

Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events, are also disclosed as contingent liabilities unless the possibility of outflow of resources embodying economic benefits is remote.

Q. BASIS OF CONSOLIDATION

The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as of the Company.



Notes Forming Part of **Consolidated Financial Statements**

The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Company and its subsidiary companies have been combined on a line-by line basis by adding together like items of assets, liabilities, income and expenses. Inter-company balances and transactions and unrealised profits or losses have been fully eliminated.
- b) The excess of cost to the Company of its investments in subsidiary companies over its share of the equity of the subsidiary companies at the dates on which the investments in the subsidiary companies are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.
- c) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments.
- d) The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as of the date of disposal is recognized in the consolidated Profit and Loss Statement being the profit or loss on disposal of investment in subsidiary.
- e) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- f) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

Notes on Consolidation Financial Statements for the **year ended 31st March, 2015**

Particulars	31 st March, 2015 (₹)	31 st March, 2014 (₹)
2. Share Capital		
Authorised		
2,50,00,000 (2,50,00,000) equity share of ₹5/- each	12,50,00,000	12,50,00,000
Issued, Subscribed & Paid up		
2,08,22,560 (2,08,22,560) equity share of ₹5/- each #	10,41,12,800	10,41,12,800
TOTAL	10,41,12,800	10,41,12,800
# 78,08,460 (78,08,460) shares out of the issued, subscribed and paid up share capital were allotted as bonus shares in last five years by capitalisation of General Reserves.		
a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period		
Equity Shares of face value ₹5/-		
Share outstanding at the beginning of the period	2,08,22,560	2,08,22,560
Share outstanding at the end of period	2,08,22,560	2,08,22,560
b. List of the Shareholders holding more than 5% of the total number of shares issued by the company		
Name of the shareholders		
Ashok Kumar Jain	60,63,040 (29.12%)	60,63,040 (29.12%)
Kiran Jain	47,28,320 (22.71%)	47,28,320 (22.71%)
Sunil Kumar Jain	16,06,656 (7.71%)	16,06,656 (7.71%)
Arpit Jain	11,47,840 (5.51%)	11,47,840 (5.51%)
3. Reserves and Surplus		
General Reserve		
Balance as per the last financial statements	53,23,43,955	51,38,43,955
Add: Transfer from Profit & Loss	7,25,00,000	1,85,00,000
Less: Adjustment relating to Fixed Assets (Refer Note 9)	75,81,990	0
Closing Balance	59,72,61,965	53,23,43,955
Statutory Reserve		
Balance as per last Balance Sheet	48,56,000	42,00,000
Add : Transfer from Profit and Loss Account	16,26,000	6,56,000
Closing Balance	64,82,000	48,56,000
Capital Reserve on Consolidation		
Balance as per last Balance Sheet	34,05,129	34,05,129
Add : Change during the year	0	0
Closing Balance	34,05,129	34,05,129



Notes on Consolidation Financial Statements for the **year ended 31st March, 2015**

Particulars	31 st March, 2015 (₹)	31 st March, 2014 (₹)
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statements	3,80,76,602	3,85,97,493
Profit for the year	11,08,35,099	3,69,06,124
Less: Appropriations		
Proposed dividend on equity shares	1,56,16,920	1,56,16,920
[Dividend per share ₹0.75 (Previous year ₹0.75)]		
Tax on proposed equity dividend	31,22,466	26,54,096
Transfer to General Reserve	7,25,00,000	1,85,00,000
Transfer to Statutory Reserve	16,26,000	6,56,000
Net surplus in the statement of Profit and Loss	5,60,46,315	3,80,76,602
TOTAL	66,31,95,408	57,86,81,686
4. Deferred Tax Liabilities		
Deferred Tax Liabilities		
Related to Fixed Assets	61,85,966	94,20,950
TOTAL (A)	61,85,966	94,20,950
Deferred Tax Assets		
Disallowance under the Income Tax Act, 1961	28,77,589	17,47,432
MAT Credit Entitlement	0	1,01,512
Unabsorbed Losses	72,484	8,11,399
TOTAL (B)	29,50,072	26,60,343
Net Deferred Tax Liabilities /(Assets) [(A)-(B)]	32,35,893	67,60,607
5. Short Term Borrowings		
Secured		
From Bank*	11,801	71,958
Unsecured		
From Others	0	0
TOTAL	11,801	71,958
* Loans from bank are secured against pledge of fixed deposit receipt and securities owned by company.		
6.Trade Payables		
Sundry Creditors (Includes Trade Payables)		
Other than Micro, Small and Medium Enterprises	47,16,84,288	34,80,83,251
Micro, Small and Medium Enterprises	0	0
(Refer Note 31)		
TOTAL	47,16,84,288	34,80,83,251



Notes on Consolidation Financial Statements for the year ended 31st March, 2015

Particulars	31 st March, 2015 (₹)	31 st March, 2014 (₹)
7. Other Current Liabilities		
Other Payables	6,74,95,242	9,58,14,185
Unpaid Dividend #	21,48,102	22,44,665
Deposits from Intermediaries	5,09,49,988	5,64,86,407
TOTAL	12,05,93,332	15,45,45,257
# Out of the above amount, the company is required to credit a sum of ₹3,28,980/- lying in the unpaid dividend account, on or before 31 st October, 2015 to the Investor Education & Protection Fund pursuant to Sub-section (1) of Section 125 of The Companies Act, 2013.		
8. Short-Term Provisions		
Proposed Dividend	1,56,16,920	1,56,16,920
Tax on Dividend	31,22,466	26,54,096
Provision for tax (Net)	49,16,395	1,19,256
TOTAL	2,36,55,781	1,83,90,271

9. Fixed Assets

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 1 st April, 2014	Additions for the Year	Deductions Adjustment for the Year	As at 31 st March, 2015	As at 1 st April, 2014	For the Year	On Deductions	Adjusted with Retained Earning	As at 31 st March, 2015	As at 31 st March, 2015	As at 31 st March, 2014
Tangible Assets											
Freehold Land	11,12,72,660	1,85,27,180	11,12,72,660	1,85,27,180	0	0	0	0	0	1,85,27,180	11,12,72,660
Premises	6,87,56,913	0	16,12,600	6,71,44,313	34,14,215	10,69,573	44,976	0	44,38,812	6,27,05,501	6,53,42,698
Furniture & Fixtures	2,32,33,732	38,68,576	46,12,426	2,24,89,882	96,65,124	37,24,300	16,83,493	2,03,819	1,19,09,750	1,05,80,132	1,35,68,607
Office Equipments	1,06,49,961	8,81,862	855,167	1,06,76,656	28,32,138	20,83,448	5,01,517	38,98,794	83,12,864	23,63,792	78,17,822
Computers	3,30,41,094	31,30,765	8,23,185	3,53,48,674	2,65,49,586	22,95,606	2,92,819	33,59,810	3,19,12,184	34,36,490	64,91,509
Electrical Installations	15,68,584	4,68,367	5,71,105	14,65,846	9,34,225	94,735	2,29,786	0	7,99,174	6,66,672	6,34,359
Motor Vehicles	1,09,76,594	0	0	1,09,76,594	28,31,277	14,08,145	0	71,429	43,10,851	66,65,743	81,45,317
Sub Total (A)	25,94,99,538	2,68,76,750	11,97,47,143	16,66,29,145	4,62,26,565	1,06,75,807	27,52,591	75,33,852	6,16,83,634	10,49,45,511	21,32,72,972
Intangible Assets											
Software	1,61,00,507	0	28,090	1,60,72,417	1,19,81,791	17,25,886	4,448	48,138	1,37,51,368	23,21,049	41,18,717
MCX Membership	3,51,000	0	0	3,51,000	3,50,900	0	0	0	3,50,900	100	100
NCDEX Membership	50,000	0	0	50,000	49,900	0	0	0	49,900	100	100
NSEL Membership	5,00,000	0	0	5,00,000	4,99,900	0	0	0	4,99,900	100	100
Sub Total (B)	1,70,01,507	0	28,090	1,69,73,417	1,28,82,490	17,25,886	4,448	48,138	1,46,52,067	23,21,350	41,19,017
Total (A+B)	27,65,01,045	2,68,76,750	11,97,75,233	18,36,02,562	5,91,09,055	1,24,01,694	27,57,038	75,81,990	7,63,35,701	10,72,66,861	21,73,91,990
Previous year figure	25,41,11,614	6,59,31,928	4,35,42,498	27,65,01,045	8,72,89,121	1,18,86,993	4,00,67,060	0	5,91,09,055	21,73,91,990	

Note: Pursuant to the notification of Schedule II of the Companies Act 2013, by the Ministry of Corporate Affairs effective 1st April 2014, the company has applied the estimated useful lives as specified in Schedule II, except in respect of certain assets as disclosed in Accounting Policy on Depreciation and Amortisation.

- (a) Accordingly the unamortised carrying amount as at 1st April 2014 is being depreciated / amortised over the revised remaining useful life of the asset.
- (b) In accordance with the option provided in transitional provisions in Schedule II of the Companies Act 2013, where the remaining useful life of an asset is NIL as at 1st April 2014, the remaining carrying value, after retaining residual value have been adjusted net of tax, in the opening balance of Profit and Loss Account / retained earnings amounting to ₹75,81,990/-.



Notes on Consolidation Financial Statements for the **year ended 31st March, 2015**

Particulars	FV (₹)	31 st March, 2015 (Qty.)	31 st March, 2015 (₹)	31 st March, 2014 (Qty.)	31 st March, 2014 (₹)
10.Non Current Investments					
Trade Investments					
In Equity Shares - Unquoted, fully paid up					
BSE Limited	1	20000	0	20000	0
Saurashtra Kutch Stock Exchange Limited	100	50	5,05,000	50	5,05,000
Total Trade Investment (A)			5,05,000		5,05,000
Other Investments					
In Equity Shares - Unquoted, fully paid up					
The Saraswat Co-Operative Bank Limited	10	500	5,000	500	5,000
Quest Global Technologies Limited	10	90000	9,00,000		
Quoted Mutual Fund					
Reliance Money Manager Fund - Growth Plan Growth Option			7,37,606		4,78,451
Total Other Investment (B)			16,42,606		4,83,451
Total Non Current Investments (A+B)			21,47,606		9,88,451
Market value of Quoted Investments ₹7,77,409 (₹5,05,373)					
11. Other Non Current Assets (Unsecured, considered good)					
Deposits with Exchanges / Depositories			2,38,05,000		2,75,05,000
TOTAL			2,38,05,000		2,75,05,000
12.Current Investments					
Investment in Equity Shares - Quoted, fully paid up					
Bajaj Corp Limited	1	60575	2,74,87,731	0	0
Bajaj Holding & Investment Limited	10	0	0	6000	57,96,777
Corporation Bank	2	0	0	62476	3,03,78,144
Dewan Housing Finance Corporation Limited	10	100000	3,32,33,769	177033	3,87,72,672
IDBI Bank Limited	10	100000	1,62,16,582	100000	1,62,16,582
IDFC Limited	10	100000	1,62,11,250	0	0
IFB Industries Limited	10	12500	71,62,501	0	0
Mahindra Lifespace Developers Limited	10	0	0	15256	55,20,916
Marico Limited	1	50000	1,55,13,391	0	0
WABCO India Limited	5	700	38,29,000	0	0
Whirlpool of India Limited	10	14614	1,07,41,108	0	0
TOTAL			13,03,95,332		9,66,85,091

Market value of Quoted Investments ₹13,96,66,119 (Previous Year ₹7,28,26,411)



Notes on Consolidation Financial Statements for the **year ended 31st March, 2015**

Particulars	FV (₹)	31 st March, 2015 (Qty.)	31 st March, 2015 (₹)	31 st March, 2014 (Qty.)	31 st March, 2014 (₹)
13. Inventories					
A. Share					
Quoted Equity Shares					
Bajaj Holding & Investment Limited	10	1000	12,96,250	0	0
Cipla Limited	2	3000	20,90,062	0	0
Force Motors Limited	10	7500	96,18,671	0	0
Godrej Consumer Products Limited	1	4400	45,80,180	0	0
Godrej Properties Limited	5	0	0	30000	54,90,188
IDFC Limited	10	0	0	50000	56,94,375
IPCA Laboratories Limited	2	0	0	2872	23,58,917
LIC Housing Finance Limited	2	0	0	5000	11,34,250
Mahindra Holidays & Resorts India Limited	10	0	0	30606	70,56,213
Mahindra Lifespace Developers Limited	10	3011	13,92,587	0	0
Multi Commodity Exchange of India Limited	10	3000	33,67,350	0	0
Oberoi Realty Limited	10	0	0	23302	50,78,671
Shilpa Medicare Limited	2	2983	27,96,424	0	0
Tata Coffee Limited	1	0	0	11000	1,01,79,950
Timken India Limited	10	4368	24,51,546	0	0
Torrent Pharmaceuticals Limited	5	2943	33,17,627	0	0
			3,09,10,697		3,69,92,564
Aggregate Value of Stock-in-Trade					
- At Cost			3,12,52,020		3,74,64,433
- At Market Value			3,23,20,954		3,71,58,501
B. Land					
Land (WIP)			16,04,74,112		0
			16,04,74,112		0
TOTAL (A+B)			19,13,84,809		3,69,92,564

Particulars	31 st March, 2015 (₹)	31 st March, 2014 (₹)
14. Trade Receivables		
(Considered good, except where provided for)		
Debts over six months		
-Secured	5,79,77,368	0
-Unsecured	3,72,18,489	3,79,92,105
Other Debts		
-Secured	0	6,87,33,483
-Unsecured	18,14,82,275	11,16,90,805
TOTAL	27,66,78,132	21,84,16,394



Notes on Consolidation Financial Statements for the **year ended 31st March, 2015**

Particulars	31 st March, 2015 (₹)	31 st March, 2014 (₹)
15. Cash and Cash Equivalents		
Balances with banks		
On current accounts	18,24,27,544	6,55,75,473
On deposit account*	39,11,43,915	45,08,35,889
On Unclaimed dividend account	21,48,102	22,44,665
Cash on hand	4,38,376	5,23,856
TOTAL	57,61,57,937	51,91,79,883
* Fixed deposits with bank include deposits of ₹28,24,68,914 (previous year ₹19,96,85,888) with maturity of more than 12 months		
16. Other Current Assets		
Deposits with Exchanges / Depositories	1,34,40,637	1,27,91,305
Deposit with Related parties (Refer Note 25)	31,87,500	33,37,500
Deposit with Income tax Authority	13,14,729	13,14,729
Other Deposits	39,50,990	56,51,283
Other Advances	5,14,95,243	6,19,74,098
Advance income-tax (net of provision for taxation)	67,32,736	99,07,584
TOTAL	8,01,21,835	9,49,76,499
17. Revenue From Operations		
Brokerage	38,68,47,004	31,01,52,338
Commission Received (Net)	1,67,52,437	1,92,53,881
Fees From Merchant Banking	72,95,259	66,96,499
Income From Fees	33,62,242	5,43,679
Deferred Payment Charges	5,51,49,372	2,82,01,311
Depository Receipts	2,07,93,813	1,35,15,274
Interest on Loans and Deposit	2,46,00,526	88,31,583
Profit/(Loss) on Share Trading*	4,94,11,005	99,80,495
Profit from Jobbing Transactions (net)	0	9,44,191
Profit/(Loss) on Commodity Trading	91,182	-26,67,918
Profit on Sale of Investments (net)	58,50,904	67,49,335
Dividend Income	27,76,845	31,44,767
Consultancy Charges	2,59,638	33,700
Income from Software Development	18,33,644	0
Other	10,15,437	8,68,582
TOTAL	57,60,39,308	40,62,47,718
*Trading details in cash segment		
Opening Stock	3,69,92,565	6,51,41,660
Purchase (including charges)	447,65,04,705	197,66,78,796
Sales	454,49,48,493	202,54,21,358
Closing Stock	3,09,10,697	3,69,92,565

Notes on Consolidation Financial Statements for the **year ended 31st March, 2015**

Particulars	31 st March, 2015 (₹)	31 st March, 2014 (₹)
18. Other Income		
Interest Received	4,05,48,309	4,94,08,445
Rent	27,28,685	62,37,000
Bad Debts Recovered	2,95,869	2,44,448
Gain/(loss) on Foreign exchange fluctuation (net)	17,794	0
Profit on De-subsidiarisation	9,71,439	0
Miscellaneous Income	6,63,798	11,97,057
TOTAL	4,52,25,893	5,70,86,949
19. Change in Inventories		
Opening Stock	0	0
Add:-		
Transfer from Fixed Assets	11,12,72,660	0
Purchased during the year	4,71,79,600	0
Land development cost	20,21,852	0
TOTAL	16,04,74,112	0
Less : Closing Stock	16,04,74,112	0
TOTAL	0	0
20. Employee Benefit Expenses		
Salaries, Wages and Bonus	10,56,49,488	8,98,21,319
Contribution to Provident and other Fund	3,29,334	3,93,678
Gratuity Expense	34,30,247	7,20,733
Staff Welfare Expenses	25,44,043	19,45,010
TOTAL	11,19,53,111	9,28,80,740
21. Finance Cost		
Interest Expenses	2,38,50,698	80,87,849
TOTAL	2,38,50,698	80,87,849
22. Other Expenses		
Advertisement	13,65,254	1,59,047
Auditors' Remuneration		
Audit fee	6,13,427	6,06,236
Taxation matters	1,90,343	7,16,433
Limited review	45,000	30,000
Other services	51,000	54,000
Bad Debts Written Off	88,06,957	1,05,82,535
Bank & Depository Charges	67,26,736	25,24,274
Business Development	25,37,559	36,05,594
Communication including V-Sat	88,83,246	93,63,885
Depository Charges	87,09,401	19,85,027



Notes on Consolidation Financial Statements for the year ended 31st March, 2015

Particulars	31 st March, 2015 (₹)	31 st March, 2014 (₹)
Electricity	51,19,711	47,65,452
Exchange Transaction Charges	3,68,25,392	3,64,53,235
Insurance	4,51,094	6,67,090
Legal and Professional	67,79,317	38,03,919
Loss on Sale of Assets	3,69,965	6,01,029
Membership Fee & Subscription	24,24,351	18,31,631
Miscellaneous Expenses	30,55,124	30,28,581
Office Expenses	15,06,754	16,39,834
Preliminary	11,66,860	87,580
Rent, Rates & Taxes	1,41,25,459	1,62,70,295
Repairs & Maintenance	62,29,220	40,54,149
Software Maintenance	65,64,016	62,42,215
Stationery & Printing	16,61,026	13,10,094
Sub Brokerage/Referral Fees and Expenses	18,06,11,990	13,88,55,226
Travelling, Conveyance and Motor Car Expenses	47,71,760	44,68,715
	30,95,90,960	25,37,06,076

23. NSEL has not been able to adhere to its payment obligation. Arihant Future & Commodities Ltd has persued legal action against NSEL and other by filing writ petition in Bombay High Court and criminal complaint in Economic Offences Wing (EOW) jointly with other victimized brokers and clients. Pending Final outcome which is uncertain ,hence the Arihant Futures & Commodities Limited has written off the amount of ₹37,00,000/- which was due on account of security deposit lying with NSEL (previous year ₹4,80,43,015/- was written off in respect of dues on account of its proprietary position of Arihant Capital Markets Limited & Arihant Future & Commodities Ltd) which is disclosed under the head "Exceptional Items."

24. Companies included in consolidation

Name of Subsidiaries	Country of Incorporation	Proportion of Interest	
		as on 31.03.15	as on 31.03.14
Arihant Financial Services Limited	India	100.00%	100.00%
Arihant Futures & Commodities Limited	India	99.86%	99.86%
Arihant Lifespace Infra Developers Limited (Formerly known as Arihant Finsec Limited	India	100.00%	100.00%
Arihant Insurance Broking Services Limited	India	100.00%	100.00%
Arihant Financial Planners and Advisors Private Limited	India	51.22%	51.22%
Quest Global Technologies Limited (Formerly Known as Arihant Quality Educational Services And Trainings Limited) (upto 31.03.2015)*	India	18.00%	51.00%
Arihant Housing Finance Corporation Limited	India	100.00%	-
Ahinsa Lifespace Infraheight Limited	India	100.00%	100.00%

*Only P&L figures has been consolidated.

Notes on Consolidation Financial Statements for the **year ended 31st March, 2015****25. Related party transactions**

Related party disclosures, as required by Accounting Standard 18, "Related Party Disclosures" issued by the Institute of Chartered Accountants of India for the year ended 31st March, 2015 are given below:

Relationships (During the year)

Key Management Personnel	Ashok Kumar Jain, Chairman & Managing Director Sunil Kumar Jain, Director Akhilesh Rathi, Director Anita S. Gandhi, Whole Time Director Pankaj Kumar Gupta, Director Parag R. Shah, Director Rakesh Jain, Director
Relatives of Key Management Personnel	Arpit Jain Ashok Kumar Jain HUF Kiran Jain S.N. Gandhi & Co Shruti Jain Swati Jain

Particulars	Key Management Personnel	Relatives of Key Management Personnel	Total
Salary & Incentive *	11301500 <i>6631023</i>	1418711 <i>1250368</i>	12720211 <i>7881391</i>
Rent #	0 <i>0</i>	3839836 <i>3989836</i>	3839836 <i>3989836</i>
Legal & Professional \$	0 <i>0</i>	0 <i>123596</i>	0 <i>123596</i>
Sitting Fees %	320000 <i>320000</i>	0 <i>0</i>	320000 <i>320000</i>
Assets			
Rent Deposits ^	0 <i>0</i>	3187500 <i>3337500</i>	3187500 <i>3337500</i>

Figure in italics represents previous year figures

* Payment to key management personnel for Salaries includes payment to Ashok Kumar Jain ₹8305500 (Previous Year ₹3674223), Anita Gandhi ₹2996000 (Previous Year ₹2956800), and to relatives of key management personal includes Shruti Jain ₹619831 (Previous Year ₹612594), Swati Jain ₹267457 (Previous Year ₹319677), Kiran Jain ₹250000 (Previous Year ₹250000), Arpit Jain ₹281423 (Previous Year ₹68097).

Rent paid to Kiran Jain ₹2647336 (Previous Year ₹2797336), Ashok Kumar Jain HUF ₹596244 (Previous Year ₹596244) and Arpit Jain ₹596256 (Previous Year ₹596256).

\$ Professional fees paid to S.N. Gandhi ₹Nil (Previous Year ₹123596).

% Sitting fees paid to Sunil Kumar Jain ₹60000 (Previous Year ₹60000), Rakesh Jain ₹80000 (Previous Year ₹80000), Pankaj Kumar Gupta ₹40000 (Previous Year ₹60000), Paragbhai Shah ₹60000 (Previous Year ₹60000) and Akhilesh Rathi ₹80000 (Previous Year ₹60000).

Notes on Consolidation Financial Statements for the **year ended 31st March, 2015****26. Earning Per Share**

Particulars	2014-2015	2013-2014
i) Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹)	11,08,35,099	3,69,06,124
ii) Weighted Average number of equity shares used as denominator for calculating EPS	2,08,22,560	2,08,22,560
iii) Basic and Diluted Earnings per Share (₹)	5.32	1.77
iv) Face value per Equity Share (₹)	5	5

27. As per Accounting Standard 15 "Employee Benefits", the disclosure as defined in the Accounting Standard are given below:

Particulars	2014-2015	2013-2014
Defined Contribution Plans		
Employer's Contribution to Provident Fund	5,92,107	4,09,290

Defined Benefit Plan

The gratuity paid by the company is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the financial obligation. The company does not has any policy for leave encashment.

Actuarial Assumptions	2014-2015	2013-2014
Mortality Table (LIC)	2006-08 (Ultimate)	2006-08 (Ultimate)
Discount rate (per annum)	7.93%	8.93%
Rate of escalation in salary (per annum)	5%	5%

28. Income in foreign currency ₹15,80,248 (previous year ₹57,163). Expenditure in foreign currency ₹1,68,871 (previous year ₹Nil).

29. Contingent Liability & Capital Commitments

- Bank Guarantees of ₹11000000 (Previous Year ₹11000000) extended to Bombay Stock Exchange Limited under the mandatory rules for membership and ₹66000000 (Previous Year ₹48000000) towards additional margin.
- Bank Guarantees of ₹7500000 (Previous Year ₹7500000) extended to National Securities Clearing Corporation Limited under the mandatory rules for membership and ₹397000000 (Previous Year ₹269500000) towards additional margin.
- Bank Guarantees of ₹1500000 (Previous Year ₹1500000) extended to MCX-SX Clearing Corporation Limited under the mandatory rules for membership and ₹10000000 (Previous Year ₹20000000) towards additional margin.
- Bank Guarantees of ₹188500000 (Previous Year ₹139500000) extended to National Commodity Clearing Corporation Limited under the mandatory rules for membership and towards additional margin.
- Bank Guarantees of ₹41500000 (Previous Year ₹21500000) extended to Multi Commodity Exchange of India Ltd under the mandatory rules for membership and towards additional margin.
- Income Tax Demand for various years ₹4986384 (₹4950644).
- Claims against the Company not acknowledged as debts ₹Nil (Previous Year ₹Nil).

30. Fixed Deposits

Fixed deposits with scheduled banks include ₹4321522 (Previous Year ₹72261000) which is under the lien of National Securities Clearing Corporation Limited, ₹14000000 (Previous Year ₹13000000) which is under the lien of Bombay Stock Exchange Limited, ₹5500000 (Previous Year ₹5500000) which is under the lien of MCX-SX Clearing Corporation Limited ₹10000000 (Previous Year ₹10000000), which is under the lien of National Commodity Clearing Corporation Limited and ₹Nil (Previous Year ₹47450000) which is under the lien of Multi



Notes on Consolidation Financial Statements for the year ended 31st March, 2015

Commodity Exchange of India Ltd and ₹ Nil (Previous Year ₹ Nil) which is under the lien of National Spot Exchange Limited and ₹600000 (Previous Year ₹600000) which is under the lien of Ace Commodity Exchange Limited.

31. Disclosures under Micro, Small, & Enterprises Development Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises (SME). The Company is in the process of compiling relevant information from its suppliers about their coverage under the said act. Since the relevant information is not readily available, no disclosures have been made in the accounts. However, in view of the management, the amounts due to the suppliers are paid within the mutually agreed credit period and therefore, there will not be any interest that may be payable in accordance with the provisions of the Act.

32. Securities are normally held by the Group in its own name except securities pledged with exchange. Securities, which are not registered in the name of the Group, are held by the Group with valid transfer documents.

33. Securities received from clients as collateral for margins are held by the Group in its own name in a fiduciary capacity.

34. During the year the Arihant Lifespace Infra Developers Limited has converted its Freehold Land which is shown in fixed assets in opening balances into stock in trade. The value of this land in fixed assets as on the date of conversion was ₹11,12,72,660 which is transferred to stock in trade of the Company and further the company has purchase the land amounting to ₹4,92,01,452 including development cost of ₹20,21,852.

35. Segment Reporting

As per the definition of 'Business Segment' and 'Geographical Segment' contained in Accounting Standard 17 "Segment Reporting", the management is of the opinion that the Company's operation comprise of operating in Primary and Secondary market and incidental activities thereto, there is neither more than one reportable business segment nor more than one reportable geographical segment, and, therefore, segment information as per Accounting Standard 17 is not required to be disclosed.

36. Previous year figures

The previous year figures have been regrouped/ reclassified, wherever necessary to conform to current year presentation.

As per our report of even date

For Arora Banthia & Tulsyan

Chartered Accountants
Firm No:007028C

CA Ajay Tulsyan

Partner
Membership No. : 74868
Indore, 29th May, 2015

For and on behalf of the board

Ashok Kumar Jain

Chairman and
Managing Director
DIN-00184729

Anita S Gandhi

(Whole Time Director)
DIN-02864338

Mahesh Pancholi

Company Secretary

Tarun Goyal

Chief Financial Officer



ARIHANT Capital Markets Ltd.

www.arhantcapital.com

CIN: L67120MP1992PLC007182 | Regd. Off.: E/5, RATLAM KOTHI, INDORE (MP)

PROXY FORM

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

Name of the Member(s) : _____

Registered address : _____

E-mail Id : _____

Folio No. / Client ID No. : _____ DP ID No. _____

I/We, being the member(s) of _____ shares of Arihant Capital Markets Limited, hereby appoint

1. Name: _____ E-mail Id: _____

Address: _____

Signature: _____

Or failing him

2. Name: _____ E-mail Id: _____

Address: _____

Signature: _____

Or failing him

3. Name: _____ E-mail Id: _____

Address: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Third Annual General Meeting of the Company to be held on Saturday, August 8, 2015 at 12:30 p.m. at Sayaji Hotels Ltd., H/1, Scheme No. 54, Vijay Nagar, Indore (M.P.)-452001, and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business

Resolution No.	Resolutions
1	Consider and adopt the Audited Balance Sheet as at 31 st March, 2015, the statement of Profit & Loss Account of the Company for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2	Declaration of dividend on equity shares for the year 2014-15.
3	Appointment of director in place of Mr. Ashok Kumar Jain (DIN: 00184729), who retires by rotation and being eligible offers himself for re-appointment.
4	Appointment of Auditors and fixing their remuneration.

Special Business

Resolution No.	Resolutions
5	Re-appointment of Mrs. Anita Surendra Gandhi (DIN: 02864338), as Whole Time Director of the Company.
6	Re-appointment of Mr. Ashok Kumar Jain (DIN: 00184729), as a managing director of the company.
7	Adoption of New Articles of Association of the company containing regulations in the conformity with the Companies Act, 2013.
8	Increase in borrowing power in terms of Section 180 (1) (c) of the Companies Act, 2013.
9	Creation of charge / mortgage etc. on Company's movable or immovable properties in terms of Section 180 (1) (a) of the Companies Act, 2013.

Signed this.....day of..... 2015.

Affix
Revenue
Stamp

Signature of shareholder _____

Signature of Proxyholder(s) _____

- Note:
- This form in order to be effective should be duly completed and deposited at the Registered Office of the Company at E-5 Ratlam Kothi, Indore 452 001, not less than 48 hours before the commencement of the meeting.
 - Those Members who have multiple folios with different jointholders may use copies of this Attendance slip/Proxy.



ARIHANT Capital Markets Ltd.

www.arihantcapital.com

CIN: L67120MP1992PLC007182 | Regd. Off.: E/5, RATLAM KOTHI, INDORE (MP)

ATTENDANCE SLIP

(To be presented at the entrance)

23rd Annual General Meeting On Saturday, August 8, 2015 At 12:30 P.M.
At Sayaji Hotels Ltd., H/1, Scheme No. 54, Vijay Nagar, Indore (M.P.)-452001

Folio No. _____ DP ID No. _____ ID No. _____

Name of the Member: _____ Signature: _____

Name of the Proxyholder: _____ Signature: _____

1. Only Member /Proxyholder can attend the Meeting.
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting.

OUR PRODUCTS AND SERVICES

Equities

Commodities

Currency

Priority Client Group (PCG)

Depository Services

Mutual Fund Advisory

Financial Planning

Institutional Broking

Merchant Banking



ARIHANT capital markets ltd.

Generating Wealth. Satisfying Investors.

Contact Us

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