ArihantCapital
Generating Wealth

Date: September 28th, 2018

To,
Department of Corporate Affairs,
Bombay Stock Exchange Limited.,
P J Towers, Dalal Street,
Mumbai- 400001

Sub. : Submitting 26th Annual Report for the year 2017-18.
Ref. : ISIN – INE420B01028; Security Code- 511605.

Dear Sir/Madam,

In terms of Regulation 34(1) of the SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015, we are enclosing herewith Annual Report for the Year 2017-18 duly approved and adopted in the Annual General Meeting held on 25th September, 2018

This is for your information and record.

Thanking You,

Yours faithfully,

For Arihant Capital Markets Limited

Mahesh Pancholi
(Company Secretary)
M. No. F-7143

Arihant Capital Markets Ltd.

ARIHANT CAPITAL MARKETS LTD.
Member of NSE, BSE, MSEI, NSDL, CDSL
Reg. Office: E-5, Ratlam Kothi, Indore-452001, India | **Admin Office:** 6 Lad Colony, Y.N. Road, Indore-452003 **T:** +91-731-3016100 **F:** +91-731-3016027
Corp. Office: #1011, Solitaire Corporate Park, Building No. 10, 1st Floor, Andheri Ghatkopar Link Road, Chakala, Andheri (E), Mumbai-400093
T: +91-22-67114800, +91-22-42254800 **F:** +91-22-42254880
CIN: L67120MP1992PLC007182
W: www.arihantcapital.com **E:** contactus@arihantcapital.com

ArihantCapital
Generating Wealth

ANNUAL REPORT
2017 - 2018

Creating Wealth For India By Always Putting The Client First

CHAIRMAN'S MESSAGE

Dear Shareholders,

I am delighted to present before you the 26th Annual Report of your Company. As we traverse through this wonderful journey, we take pride in fulfilling needs and aspirations of Indians from every part of the country, ethnicity, gender and background people residing in large cities and small towns, salaried and self-employed, the young and the wise, people of determination and everyone in between. Our philosophy of providing fair and sound researched based advice and enabling our clients in making sound financial decisions has successfully helped us create wealth of our clients.

In the current scenario, the post-demonetization era, there has been a fundamental change in behavior of Indians with household savings increasingly shifting from physical assets to financial assets. In FY 2018, India witnessed record demat account openings, many first-time investors have chosen to invest in the stock market through mutual funds, which have seen record flows and new investor registrations.

India's economy maintained its strong growth in FY 2018 as GDP expanded to 7.4% as compared to 7.6% in the previous year. With "One Nation, One Tax" GST regime being implemented, GST collections crossed Rs. 1 trillion figure in April 2018. However, in the previous Union Budget, the government re-introduced LTCG tax on stocks. Investors will have to now pay 10 per cent tax on profit exceeding Rs. 1 lakh made from the sale of shares or equity mutual fund schemes held for over one year.

India today is on the cusp of a transformation - an India more vibrant and dynamic. In this backdrop, equities markets have also transformed. Experienced Investors now understand how difficultit is to "beat" or "outperform" the market on a consistent basis. Hence it is apt that investors lay their emphasis on proper planning, asset allocation and tax efficiency - all factors that have delivered success over time and all within every investor's control. We, at Arihant, recognize and acknowledge these changing times and are realigning our business strategy, business processes and honing our team skills to keep ourselves ahead of the curve.

I am pleased to inform you that during the financial year, your Company's consolidated income crossed Rs. 100 crores, a testimony of our relentless work. The total income for the previous year stood at Rs. 102.44 crore and your company reported a profit after tax of Rs. 20.66 crore.

Today, thanks to technology, reaching out to people and making the markets available to them has become much easier. On the technological front, we have completely revamped our mobile trading application for our clients and introduced E-KYC, paperless onboarding in 2018. We recognize that in the current era, trading and accessing client information via mobile devices is extremely important and hence we are betting big on it in the future. We are humbled at the opportunity to lead Arihant forward in this new "smart" age by innovating and simplifying our technological infrastructure and offerings.

I've always believed in the power of investing. With the right financial provider and active engagement, investors can make better decisions that bring greater value to their financial lives. From day one our goal has been to provide a platform for investors to build wealth, focus on long-term value rather than short-term profits and always offer professional objective advice.

I will close where I started-with a sincere thank you. Thank you to our valued clients, our shareholders and all the stakeholders who have helped us to accomplish our goals. Your trust and confidence in Arihant have helped us build a remarkable company, that is set to make a positive impact in the lives of every Indian. I truly believe the best is yet to come.

"With our vision and strategy in the right direction, the value is yet to unlock and we are poised for the growth in the future"

ASHOK KUMAR JAIN
Chairman & Managing Director

FUELLING ONGOING GROWTH

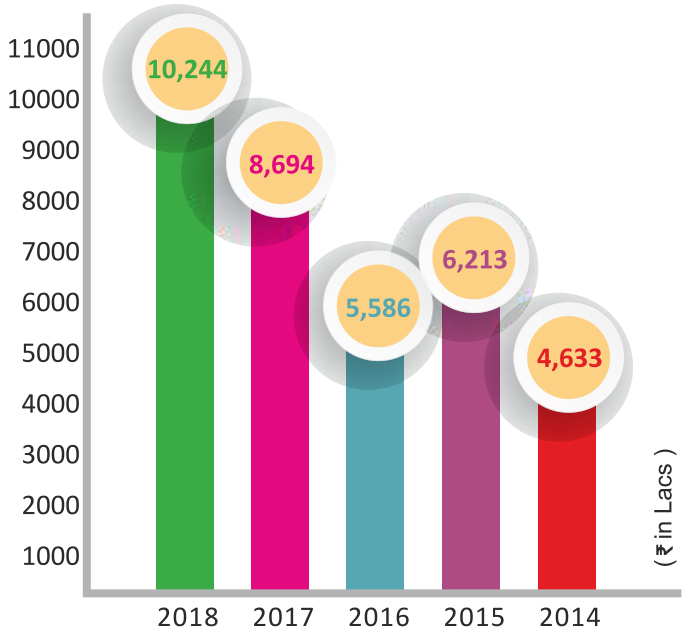
COUNTRY WIDE PRESENCE

PRODUCTS & SERVICES

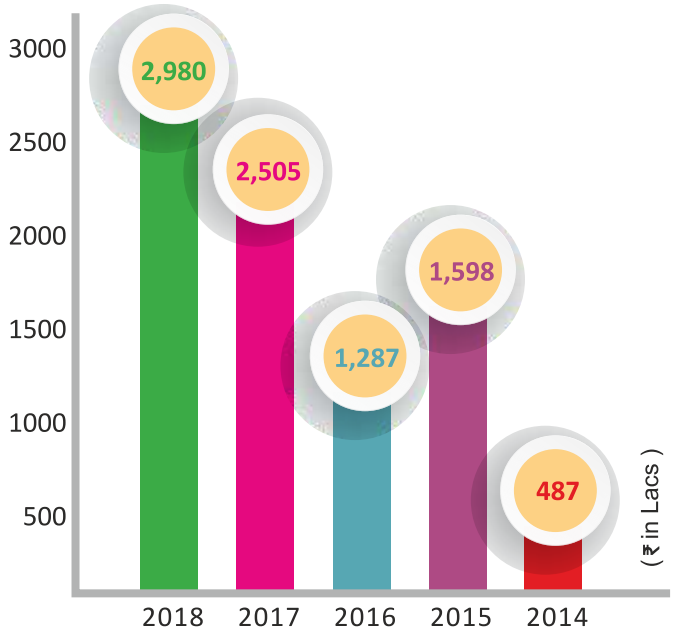
- Equities & Derivatives
- Commodities
- Currency
- Mutual Funds
- IPO & Bonds
- Priority Client Group Services
- Online & Mobile Trading
- Depository Services
- Merchant Banking (Category 1)

CONSOLIDATED PERFORMANCE HIGHLIGHTS

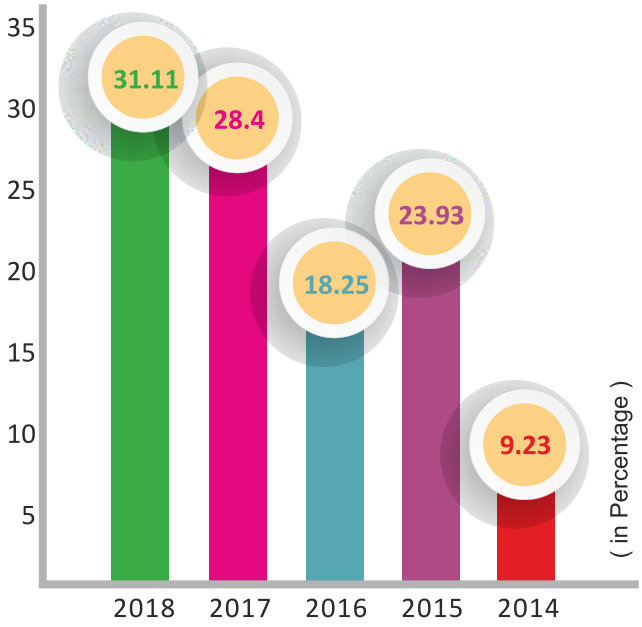
TOTAL INCOME



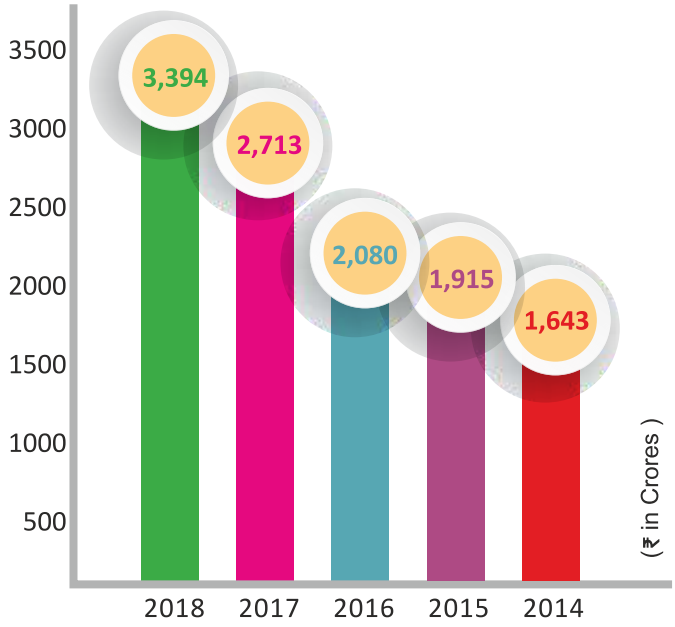
PROFIT BEFORE TAX (PBT)



RETURN ON CAPITAL EMPLOYED (ROCE)



TOTAL CLIENT ASSETS



COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Ashok Kumar Jain
(Chairman and Managing Director)
Mrs. Anita Surendra Gandhi
(Whole Time Director)
Mr. Sunil Kumar Jain
Mr. Akhilesh Rathi
Mr. Parag Rameshbhai Shah
Mr. Pavan Kumar Ved
Mr. Ashish Maheshwari

COMPANY SECRETARY

Mr. Mahesh Pancholi

CHIEF FINANCIAL OFFICER

Mr. Tarun Goyal

AUDITORS

M/s Dinesh Ajmera & Associates
Chartered Accountants
901, Scheme No. 114, Part-1, A.B. Road,
Indore – 452001 (MP)
Mobile No. 9826868011

ADMINISTRATIVE OFFICE

6 Lad Colony, Y.N. Road
Indore – 452001 (MP)
T. +91- 731- 4217100
F. +91-731-3016199

REGISTERED OFFICE

E/5 Ratlam Kothi Area,
Indore – 452001 (MP)
T. +91-731-2519610
F. +91-731-3048915

CORPORATE OFFICE

1011, Solitaire Corporate Park,
Building No. 10, 1st Floor,
Andheri Ghatkopar Link Road,
Chakala, Andheri (East),
Mumbai – 400093
T. 022-42254800
F. 022-42254899

REGISTRAR & TRANSFER AGENT

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

DP OFFICE

601, Atlantis Tower, 13-A,
Scheme No. 78, Part II,
Indore – 452010 (M.P.)
T. 0731-421262
F. 0731-4217199

Email: compliance@arihantcapital.com
Visit us at: www.arihantcapital.com

INDEX

01 NOTICE

09 DIRECTOR'S REPORT

26 DETAILS OF SUBSIDIARIES STATEMENT

27 MANAGEMENT DISCUSSION & ANALYSIS

32 REPORT ON CORPORATE GOVERNANCE

43 AUDITOR'S REPORT

48 BALANCE SHEET

49 PROFIT & LOSS ACCOUNT

70 CONSOLIDATED BALANCE SHEET

NOTICE

Notice is hereby given that the **TWENTY SIXTH ANNUAL GENERAL MEETING (AGM)** of the members of **ARIHANT CAPITAL MARKETS LIMITED (CIN:L67120MP1992PLC007182)** will be held on **Tuesday, 25th September, 2018** at **12:30 P.M.** at **Lemon Tree Hotel, 3, R.N.T. Marg, Indore, (M.P.)- 452001,** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement of the Company (including Audited Consolidated Financial Statements) for the financial year ended March 31st, 2018 and the Reports of the Board of Directors and Auditors Report thereon.
2. To declare Dividend for the Financial Year 2017-18.
3. To appoint a director in place of Mr. Pavan Kumar Ved (DIN: 02055767), who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and if thought fit, to pass the following resolution as an ordinary resolution:

   To rectify the appointment of M/s Dinesh Ajmera & Associates (Firm Registration no. 011970C) as the Statutory Auditor of the Company and to consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and pursuant to the resolution passed by the Members at the Twenty Fifth Annual General Meeting (AGM) held on 09th September, 2017 appointing M/s Dinesh Ajmera & Associates (Firm Registration no. 011970C) as a Statutory Auditor to hold office from the conclusion of the 25th AGM till the conclusion of 30th AGM of the Company, the consent of the members, be and is hereby accorded, to ratify their appointment as Auditors of the Company, to hold office from the conclusion of this AGM till the Conclusion of the 30th AGM of the Company on such remuneration plus applicable service tax and reimbursement of out of pocket expenses incurred during the course of the audit, of accounts of the Company for the financial year ending March 31, 2018 as may be mutually agreed between the Board of Directors and the Auditors."

SPECIAL BUSINESS

5. **RE-APPOINTMENT OF MRS. ANITA S. GANDHI (DIN : 02864338) AS A WHOLE TIME DIRECTOR OF THE COMPANY:**

   To Consider and if thought fit, to pass 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 (DIN : 02864338), Whole Time Director of the Company for a period of two year with effect from 1st February, 2018.

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

1. Basic Salary ₹ 2,09,000 per month.
2. Housing: Furnished/Unfurnished accommodation or House Rent Allowance in lieu thereof not exceeding 40% of the Basic salary.
3. Conveyance: company will reimburse actual conveyance and traveling expenses incurred.
4. Performance Pay: Such amount as may be determined by the Nomination and Remuneration Committee, not exceeding 2 times of the basic salary.
5. Mrs. Gandhi prior to her appointment as Whole Time Director in the Company, in her capacity as an employee of the Company. She 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 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 (DIN:00184729) AS A MANAGING DIRECTOR OF THE COMPANY:

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

"RESOLVED THAT pursuant to the provisions of 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/ aboard, if any, the consent of the members of the company be and is hereby accorded to re-appointment of Mr. Ashok Kumar Jain (DIN:00184729) as a Chairman and Managing Director of the Company for a period of three years with effect from 1st August 2018 to 31st July 2021, 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 authorized 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 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 reelected, then such re-appointment of the Managing Director of the company due 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, 2018, subject to the approval of the shareholders in the AGM on the following material terms and conditions of the agreement as follows:

1. 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.
2. Period of Agreement: Three years from August 1, 2018 to July 31, 2021.
3. Remuneration: ₹ 5 Lacs per month.

Managerial Remuneration shall not include:
Contribution to Provident Fund/Superannuation or Annuity Fund
Gratuity payable
Leave encashment

4. 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.
5. Other terms and conditions, including perquisites : As laid down in the agreement.
6. 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.
7. 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.
8. The aforesaid appointments are subject to termination with 3 months notice from either side.
9. 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.
10. The Managing Director shall not be entitled to receive any fees for attending meetings of the Board/Committee.

By the order of the Board of Directors

Mahesh Pancholi
(Company Secretary)
M. No. F7143

Place: Indore
Dated: 11th August, 2018

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.** A person can act as a proxy on behalf of not exceeding 50 members and holding in aggregate not more than 10% of the total share capital of the Company. Further, a Member holding more than total share capital of the company carrying voting rights may appoint a single proxy and such person shall not act as proxy for any other person or member.

2. The instrument appointing the proxy, duly completed however in order to be effective, should be deposited at the registered office of the Company not less than 48 hours before the meeting. A proxy form for the AGM is enclosed.

3. Explanatory Statement pursuant to section 102 of the Companies Act, 2013 forms part of this Notice.

4. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the directors seeking appointment / re-appointment at the AGM, is furnished as annexure to the Notice. The directors have furnished consent / declaration for their appointment / re-appointment as required under the Companies Act, 2013 and the Rules there under.

5. Pursuant to the provisions of section 91 of the Companies Act, 2013, the register of members and share transfer books of the Company will remain closed from Wednesday, 19th September, 2018 to Tuesday, 25th September, 2018 (both days inclusive) in connection with the AGM and the purpose of payment of dividend, if approved by the members.

6. The dividend as recommended by the Board, if declared at the meeting, will be paid on or after 30th September, 2018 to the members.

7. As per the SEBI Listing Regulations, 2015 the Company shall use any electronic mode of payments approved by the Reserve Bank of India for making payments to the Members. Where the dividend cannot be paid through electronic mode, the same shall be paid by warrants with bank accounts details printed thereon. In case of non availability of bank account details, address of the members will be printed on warrants.

8. 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.

9. 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.

10. 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.

11. 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.

12. Shareholders who are still holding physical share certificate(s) are requested to consider converting their holding to de-materialize form to eliminate all risk associated with physical Share and for ease of portfolio management. Members can contact to Company for assistance in this regard.

13. 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.

14. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form are required to submit their PAN details to the Registrar and Share Transfer Agents:

15. 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.

16. 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.

17. 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.

18. 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.

19. Dividend for the financial year ended 31st March, 2011, 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, 2018. Members, who have not yet encashed their dividend warrants for the financial year ended 31st March, 2011 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.

    Pursuant to the provisions of section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time) (IEPF Rules), during the financial year 2017-2018 the Company has transferred 44,441 Equity shares which belongs to total 78 shareholders whose dividend of financial year 2009-10 was not been paid or claimed for 7 consecutive years or more as on the due date of transfer to the demat account of IEPF Authority.

20. 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. to 5:00 p.m. on all working days from the date hereof up to the date of meeting.

21. The Notice of the AGM along with the Annual Report 2017-18 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.

22. A route map showing directions to reach the venue of the 26th AGM is given at the end of this Notice.

23. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment, Rules 2015, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services (India) Limited (CDSL), The facility for voting through ballot paper will also be made available at the AGM and members attending the AGM, who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for e-voting are annexed to the Notice.

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 two year from 1st February, 2018

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. It is under his vision that the Company has achieved the current levels. 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 2018, 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, 2018 to July 31, 2021.
3. Remuneration :
   a) Basic Salary: ₹ 5 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.

By the order of the Board of Directors

Sd/-
Mahesh Pancholi
(Company Secretary)
M. NO. F7143

Place: Indore
Dated: 11th August, 2018

Details of directors seeking appointment /re-appointment at the AGM

Particulars	Mr. Ashok Kumar Jain	Mr. Pavan Kumar Ved	Mrs. Anita Surendra Gandhi
DIN No.	00184729	02055767	02864338
Date of Birth	March 01, 1954	August 12, 1954	December 11, 1963
Date of Appointment	June 25, 1992	February 12, 2016	January 30, 2010
Qualifications	M.Com, CA,	M.Com, M.A. (Eco), LLB, CS, CMA	B.Com, CA, ICWA
Expertise in Specific functional Area	He is the promoter director of the company and has more than 34 years of rich experience in the field of financial services, merchant banking and securities broking.	More than 32 years of rich experience in Income Tax Department.	Wide experience in primary and secondary market research.
Directorship held in other public companies (excluding private companies, foreign companies and section 8 companies	6	Nil	Nil
Memberships/ Chairmanship of Committees of other public companies (includes only Audit Committee and Stakeholders Relationship Committee	Nil	Nil	Nil
No. of shares held in the company	6063040	Nil	Nil

AGM Venue Map - Lemon Tree Hotel

SHARE HOLDER INSTRUCTIONS FOR E-VOTING

In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).

1. The facility for voting either through electronic voting system or through ballot / polling paper shall also be made available at the venue of the 26th AGM. The member attending the meeting who have not already cast their vote through remote e-voting shall be able to exercises their voting rights at the meeting
2. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.
3. The remote e-voting period commences on 22nd September, 2018 (9:00 am) and ends on 24th September, 2018 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 18th September, 2018, may cast their vote by electronically
4. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
5. The instructions for Members for voting electronically are as under:-

(A) In case of Members receiving e-mail:

Step 1: Open your web browser during the voting period and log on to the e-voting website: www.evotingindia.com

Step 2: Now click on "Shareholders" to cast your votes.

Step 3: Now, fill up the following details in the appropriate boxes:

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 the Folio Number registered with the Company

Step 4: Next, enter the Image Verification as displayed and Click on Login.
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.

Step 5: If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN (Permanent Account Number)	Enter your 10 digit alpha —numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) · Members who have not updated their PAN with the Company/Depository Participant are (Permanent requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. Account Number) · In case the folio 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 SURESH Kumar with folio number 100 then enter SU00000100 in the PAN Field.
DOB (Date Of Birth)	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
Dividend Bank details#	Enter the Dividend Bank Details as recorded in your demat account orin the company records for the said demat account or folio. 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 number of shares held by you as on the cutoff date in the Dividend Bank details field.

Please enter the DOB or Dividend Bank Details in order to login.

Step 6 : After entering these details appropriately, click on "SUBMIT" tab.

Step 7: 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.

Step 8: For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

Step 9: Click on the EVSN for the relevant <ARIHANT CAPITAL MARKETS LIMITED> on which you choose to vote.

Step 10: Click 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.

Step 11: Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

Step 12: 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.

Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

Step 13: You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page. If Demat account holder has forgotten the changed password then Enter the user ID and the image verification code and click on Forgot Password and enter the details as prompted by the System.

Step 14: 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 Corporate.
- 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 linked in the login 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.

(B) In case of Members receiving physical copy:

Please follow all steps from step 1 to step 14 above to caste vote.

6. 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.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
7. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
8. The company has appointed Mr. Virendra G. Bhatt, Practicing Company Secretary as the scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.
9. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow e-voting with the assistance of scrutinizer for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
10. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
11. The Results declared along with the report of the Scrutinizer's shall be displayed at the Registered Office of the Company and uploaded on the Company's website www.arihantcapital.com as well as on the website of CDSL after the same is declared by the Chairman/authorized person. The Results shall also be simultaneously forwarded to the Bombay stock exchange, Mumbai.

BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the Twenty Sixth Board Report on the business and operations of your Company along with the Standalone and Consolidated Audited Financial Statements and accounts for the year ended 31st March, 2018.

Financial Highlights

The following table gives the financial highlights of your company on a standalone and consolidated basis for the financial year 2017-2018 :

(₹ in Lacs)

Particulars	Standalone		Consolidated	
	2017 - 2018	2016 - 2017	2017 - 2018	2016 - 2017
Gross Income	9426.99	7694.15	10244.41	8694.62
Profit Before Depreciation	2961.34	2322.87	3079.18	2588.90
Depreciation	92.82	75.77	99.15	83.59
Profit Before Tax	2868.52	2247.07	2980.03	2505.31
Provision for Taxation	865.27	756.05	913.20	836.79
Net Profit After Taxation	2003.25	1491.03	2066.83	1668.51
Balance of Profit and Loss a/c (b/f)	940.29	249.26	1205.87	588.60
Profit Available for Appropriation	2943.54	1740.29	3272.70	2257.12
Appropriations:				
Transfer to General Reserve	1500.00	800.00	1585.00	1040.00
Transfer to Statutory Reserve	Nil	Nil	10.26	11.25
Dividend (inclusive of dividend tax)	173.51	0.00	187.96	0.00
Balance Carried to Balance Sheet	1270.03	940.29	1489.47	1205.87

Review of Operations

During the year under review, the company has posted gross income of ₹ 9,426.99 lacs (previous year ₹ 7,694.15 lacs) on a standalone basis and a net profit after tax, for the year 2017-18, of ₹ 2,003.25 Lacs compared to ₹1,491.03 Lacs in the previous year. On a consolidated basis during the year under review, the company has posted gross income of ₹ 10,244.41 Lacs (previous year ₹ 8,694.62 Lacs). The consolidated net profit during the same period stands at ₹ 2,066.83 Lacs as compared to ₹ 1,668.51 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 Regulation 34(2) (e) of SEBI (LODR) 2015 with the BSE Ltd.

Transfer to General Reserves

The Company proposes to transfer ₹1,500.00 Lacs to the general reserves out of the amount available for appropriations and an amount of ₹1,270.03 Lacs are proposed to be retained in the Profit and Loss Account.

Share Capital

The paid up Equity Share Capital as at March 31, 2018 stood at ₹10.41 Crore. There has been no change in the capital structure of company during the year under review.

Dividend

Your Directors are pleased to recommend the dividend ₹ 0.75 (15% per share) on the Equity Shares of the Company for the financial year 2017-2018. The dividend payout is subject to approval of member at the ensuing 26th Annual General Meeting.

Public Deposits

During the Financial Year 2017-18 under review The Company has neither invited nor accepted any public deposits within the meaning of section 73 & 74 of the Companies Act, 2013 read with Companies (Acceptance or Deposit) Rules 2014.

Subsidiaries

As on 31st March, 2018 Your Company had eight wholly owned subsidiaries. During the year, the Board of Directors reviewed the business operations and financial performance of the said Companies.

1. Arihant Futures and Commodities Limited.
2. Arihant Financial Services Limited.
3. Arihant Lifespace Infra Developers 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 Limited.
8. Arihant Capital (IFSC) Limited.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, your Company has prepared Consolidated Financial Statements of your Company which is forming part of this Annual Report. Further, a Statement containing salient features of financial information of the Subsidiary Companies is disclosed in the prescribed format AOC-1, pursuant to Section 129(3) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is annexed with this Report. The Statement also provides details of performance and financial position of each of the Companies. 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

In accordance with the provisions of Section 136 of the Companies Act, 2013, the Audited Financial Statements, the Consolidated Financial Statements and the related information of the Company and the Audited Accounts of the Subsidiaries Companies, are available on our website i.e. www.arihantcapital.com. These documents shall also be available for inspection during the business hours, i.e. between 10.00 A.M. to 6.00 P.M. on all working days (except Saturday and Sunday) at the Registered Office of the Company. In accordance with the accounting standard AS-21, the consolidated financial statements are furnished herewith and form part this Annual Report.

Directors

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Pavan Kumar Ved who is due to retire by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment. The Board recommends his re-appointment for the consideration of the members of the company at the ensuing Annual General Meeting. During the year there has been no change with respect to key managerial personnel.

Independent Directors

All Independent Directors have given declarations that they meet criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 (1) (b) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

As per requirement of Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 separate meeting of the independent directors ("Annual Independent Directors Meeting") was convened, which reviewed the performance of the Board (as a whole), the non-independent directors and the Chairman.

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. During the year under review, there has been no change in the policy.

Meetings of the Board and its Committees

The details of the meetings of the Board and Committees held during the financial year 2017-18 and composition and terms of reference of the Committees are detailed in 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/Vigil Mechanism

Pursuant to the provisions of Section 177 (9) & (10) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI (LODR) Regulations, 2015, the Company has in place a Whistle Blower Policy, which provides for a vigil mechanism that encourages and supports its Directors and employees to report instances of illegal activities, unethical behavior, actual or suspected, fraud or violation of the Company's Code of Conduct or Ethics Policy. It also provides for adequate safeguards against victimization of persons who use this mechanism and direct access to the Chairman of the Audit Committee in exceptional cases.

During the year under review, no protected disclosure concerning any reportable matter in accordance with the Vigil mechanism and Whistle Blower policy of the Company was received by the Company.

The Whistle Blower Policy has been posted on the website of the company **www.arihantcapital.com.**

Transfer of Amounts to Investor Education and Protection Fund

Pursuant to the Section 123 & 125 of the Companies Act, 2013, the relevant amounts which remained unpaid or unclaimed for a period of seven years from the date they become due for payment 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, Rules 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. The company has been continuously using technology in its operations; however efforts are made to further reduce energy consumption.

During the year, The Company did not have any foreign exchange inflow and outflow.

Information as Per Rule 5(2) Of the Chapter Xiii, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The information required Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Board Report for the year ended 31st March, 2018.

Having regard to the provision of the first proviso to section 136 (1) of the Act and as advised the Annual Report excluding the aforesaid information is being sent to the members of the Company.The said information is available for inspection by the Members at the Registered Office of the Company during business hours and any member interested in obtaining such information may write to the company secretary and same will be furnished on request.

Risk Management & Internal Financial Control and Its Adequacy

Company has an effective risk management framework for identifying, prioritizing and mitigating risks which may impact attainment of short and long term business goals of your company. The risk management framework, which is based on our holding Company's risk management process, is aligned with strategic planning, deployment and capital project evaluation process of the Company. The process aims to analyze internal and external environment and manage economic, financial, market, operational, compliance and sustainability risks and capitalizes opportunities of business success.

The Internal Financial control framework has been designed to provide reasonable assurance with respect to recording and providing reliable financial and operational information, complying with applicable laws, safeguarding assets from unauthorized use, executing transaction with proper authorization and ensuring compliances with corporate policies.

Performance Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant the provision of the act and the corporate governance requirement as prescribed by the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement, Regulation 2015 (SEBI Listing Regulation).

The performance of the board was evaluated by the board after seeking inputs from all the Directors on the basis of criteria such as board composition and structure, effectiveness of board processes, information and functioning, etc. as provided by the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India.

The performance of the committee was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of the committee, effectiveness of committee meetings, etc.

The Board and the Nomination and remuneration Committee reviewed the performance of individual director on the basis of criteria such as the contribution of the individual directors to the board and committee meeting like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meeting, etc.

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 31st, 2018, followed the applicable accounting standards along with proper explanations relating to material departures, if any.
(ii) The Directors had 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, 2018 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, 2018 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) That the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and those systems are adequate and operating effectively.

Auditors and Auditors Report

Your Company's Auditors M/s Dinesh Ajmera & Associates (Firm Registration no. 011970C), were appointed at the last AGM to hold office until the conclusion of the 30th AGM.

As per the provisions of the Section 139 of the Act, the appointment of the Statutory Auditors is required to be ratified by the members at every AGM of the Company. Accordingly, the rectification of appointment of M/s Dinesh Ajmera & Associates Chartered Accountants, as Statutory Auditors of the Company, is being placed before the members in the ensuring AGM.

In terms of provisions of Section 139 of the Act, M/s Dinesh Ajmera & Associates have furnished a certificate that their appointment is within the limits prescribed.

There are no qualifications, reservations or adverse remarks made by Statutory Auditors in their Report.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report covering the matters listed in Clause 34(2) (e) of the SEBI (LODR), 2015, for the year under review is given separately in the Annual Report.

Corporate Governance

Your Company is committed towards maintaining high standards of Governance. The Report on Corporate Governance as stipulated under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A Certificate from Practicing Company Secretary confirming compliance to the corporate governance requirements by the Company is attached to this report.

Policy on Disclosure of Material Events and Information

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of the report.

Corporate Social Responsibility

Your Company is committed to improve the quality of life of the communities in its focus areas through long term value creation for all its Stakeholders through its various Corporate Social Responsibility (CSR) initiatives.

Brief details on various focus areas of interventions are part of the Annual Report on CSR activities annexed to this report as **Annexure-C** in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy adopted by the Company can be viewed at website of the Company.

Extract of Annual Return

As provide under Section 92(3) of the act, the extract of the Annual return is given in **Annexure-A** in the prescribed Form MGT-9, which is a part of this report.

Secretarial Auditor

The Board 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**. The secretarial audit report does contain any qualifications, reservations, adverse remarks or disclaimer.

Related Party Transactions

All related party transactions that were entered into during the financial year under review were on arm's length basis and in the ordinary course of the business and that the provisions of Section 188 of the Companies Act, 2013 and the Rules made there under are not attracted. Thus, disclosures in Form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required. 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. All related party transactions are placed before the Audit Committee and the Board for approval, if applicable. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature. The Company has developed a framework through Standard Operating Procedures for the purpose of identification and monitoring of such Related Party Transactions and suitable disclosures as required by AS-18 has been made in notes of Financial Statement.

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:

- 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.

Disclosures under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company has zero tolerance towards sexual harassment at workplace. It has a well- defined policy in compliance with the requirements of the Sexual Harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under. An Internal Committee is in place to redress complaints received regarding sexual harassment. All employees are covered under policy.The Company has not received any complaint of sexual harassment during financial year 2017-2018.

Acknowledgement

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 (India) 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

Ashok Kumar Jain
(Chairman)

Place: Indore
Dated: 11/08/2018

Annexure-A

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31/03/2018

[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 – 452010 (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	97%

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. Add: E/5, Ratlam Kothi Area, Indore-452001 (M.P.)	U51225MP2002PLC015401	Subsidiary Company	100%	Section 2(87)
2	ARIHANT FINANCIAL SERVICES LTD. Add: E/5, Ratlam Kothi Area, Indore-452001 (M.P.)	U67120MP2006PLC019160	Subsidiary Company	100%	Section 2(87)
3	ARIHANT LIFESPACE INFRA DEVELOPERS LIMITED Add: E/5, Ratlam Kothi Area, Indore-452001 (M.P.)	U70100MP2008PLC020730	Subsidiary Company	100%	Section 2(87)
4	ARIHANT INSURANCE BROKING SERVICES LTD. Add: E/5, Ratlam Kothi Area, Indore-452001 (M.P.)	U66000MP2009PLC021788	Subsidiary Company	100%	Section 2(87)

5	ARIHANT FINANCIAL PLANNERS AND ADVISORS PVT. LTD. Add: E/5, Ratlam Kothi Area, Indore-452001 (MP.)	U74140MP2011PTC026953	Subsidiary Company	100%	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 COPRPORATION LIMITED Add: 1011, Solitaire Corporate Park, building No. 10, 1st Floor, Chakala, Andheri (E), Mumbai - 400 093	U67190MH2014PLC265689	Subsidiary Company	100%	Section 2(87)
8	ARIHANT CAPITAL (IFSC) LIMITED Add: Unit No. 38/8 GIFT Aspire-1 Business Centre, Ground Floor, Block 12, Road 1D, Zone - 1 GIFT SEZ Gandhinagar GJ 382355	U65990GJ2016PLC094776	Subsidiary Company	100%	Section 2(87)

IV. 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 (01/04/2017)				No. of Shares held at the end of the year (31/03/2018)				% of 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	**15421052**	**-**	**15421052**	**74.06**	**15421052**	**-**	**15421052**	**74.06**	-
Promoter (A) =									
(A)(1)+(A)(2)									
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) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-

2. **Non-Institutions**									
a) Bodies Corp.									
i) Indian	271768	67520	339288	1.63	416651	67520	484171	2.32	0.70
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1lakh	1792227	420264	2212491	10.63	2184165	344344	2528509	12.14	1.51
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	2808217	-	2808217	13.49	2079144	-	2079144	9.99	-3.50
c) Others (specify)	-	-	-	-					
i)NRI & OCB	32941	-	32941	0.16	295117	-	295117	1.42	1.26
ii) Clearing Member	8571		8571	0.04	14567	-	14567	0.07	0.03
Sub-total (B)(2):-	**4913724**	**487784**	**5401508**	**25.94**	**4989644**	**411864**	**5401508**	**25.94**	**0.00**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	4913724	487784	5401508	25.94	4989644	411864	5401508	25.94	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**20334776**	**487784**	**20822560**	**100.00**	**20410696**	**411864**	**20822560**	**100.00**	**0.00**

(ii) Shareholding of Promoters

S. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Change in share holding 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 HUF	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
	At the beginning of the year	-	-	-	-
	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.
	At the End of the year	-	-	-	-

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

S. No.	Top 10 Shareholders	Shareholding at the beginning of the year 01.04.2017		Cumulative Shareholding at the end of the year 31.03.2018	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Vijaya Jain	442269	2.12	303215	1.46
2	Manorama Jain	435238	2.09	240231	1.15
3	Vandana Jain	322480	1.55	322480	1.55
4	Vinodkumar Harakchand Daga	290895	1.40	290895	1.40
5	Vijit Ramawat	108185	0.52	0	0.00
6	Mahesh Vrajlal Babaria	110800	0.53	0	0.00
7	Ankit Agrawal	74520	0.36	74000	0.35
8	Shrijika Agrawal	100764	0.48	59278	0.28
9	Rashi Daga	90000	0.43	0	0.00
10	Sushila Paras Kumar Daga	116000	0.56	60058	0.28
11	Parshva Kumar Harakchand Daga	118202	0.57	118202	0.57
12	Safal Capital (India) Limited	0	0.00	86262	0.41
13	Niraj Kumar Vinod Kumar Daga	3493	0.01	88493	0.42
14	Garishma Neeraj Daga	0	0.00	85000	0.41

(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 1-4-2017		Cumulative Shareholding during the year 31-3-2018	
			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)	01/04/2017	6063040	29.12	6063040	29.12
		31/03/2018	-	-	6063040	29.12
2.	Mr. Sunil Kumar Jain (Director)	01/04/2017	1606656	7.71	1606656	7.71
		31/03/2018	-	-	1606656	7.71
3.	Mr. Akhilesh Rathi	01/04/2017	-	-	-	-
		31/03/2018	-	-	39847	0.19
4.	Mr. Parag Rameshbhai Shah (Director)	01/04/2017	29000	0.13	29000	0.13
		31/03/2018	-	-	-	-
5.	Mrs. Anita S. Gandhi (Whole Time Director)	01/04/2017	-	-	-	-
		31/03/2018	-	-	-	-
6.	Mr. Pavan Kumar Ved (Director)	01/04/2017	-	-	-	-
		31/03/2018	-	-	-	-
7.	Mr. Shailesh Kumath (Additional Director)	01/04/2017	-	-	-	-
		14/06/2017	-	-	-	-
8.	Mr. Ashish Maheshwari	27/05/2017	-	-	-	-
	(Director)	31/03/2018	-	-	-	-
9.	Mr. Mahesh Pancholi (Company Secretary)	01/04/2017	272	-	272	-
		31/03/2018	-	-	272	-
10.	Mr. Tarun Goyal (CFO)	01/04/2017	-	-	-	-
		31/03/2018	-	-	-	-

V. INDEBTEDNESS

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

(Amt. in Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beg inning of the financial year		-	-	
i) Principal Amount	846.32	-	-	846.32
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	846.32	-	-	846.32
Change in Indebtedness during the financial year	-	-	-	
▪ Addition	8299.83	-	-	8299.83
▪ Reduction	2.69	-	-	2.69
Net Change	8297.14	-	-	8297.14
Indebtedness at the end of the financial year		-	-	
i) Principal Amount	9143.46	-	-	9143.46
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**9143.46**	-	-	**9143.46**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amt. in ₹)

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	48,00,000	32,36,800	80,36,800
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	84,029	-	84,029

2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	1,25,00,000	-	1,25,00,000
	- as % of profit	10	-	10
	- Others, specify…	-	-	-
5	Others, please specify	-	-	-
	Total (A)	**1,73,84,029**	**32,36,800**	**2,06,20,829**

B. Remuneration to other directors:

(Amt. in ₹)

S. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. Akhilesh Rathi	Mr. Sunil Kumar Jain	Mr. Parag Rameshbhai Shah	Mr. Pavan Kumar Ved	Mr. Shailesh Kumath	Mr. Ashish Maheshwari	
1	Independent Directors							
	Fee for attending board / committee meetings	80,000	-	40,000	-	20,000	60,000	2,00,000
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	**80,000**	**-**	**40,000**	**-**	**20,000**	**60,000**	**2,00,000**
2	Other Non-Executive Directors							
	Fee for attending board / committee meetings	-	80,000	-	80,000	-	-	1,60,000
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (2)	**-**	**80,000**	**-**	**80,000**	**-**	**-**	**1,60,000**
	Total (B)=(1+2)	**80,000**	**80,000**	**40,000**	**80,000**	**20,000**	**60,000**	**3,60,000**
	Total Managerial Remuneration	-	-	-	-	-	-	**2,06,20,829**
	Overall Ceiling as per the Act	-	-	-	-	-	-	**3,07,45,906**

C Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amt. in ₹)

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	6,79,572	12,84,027	19,63,599
	(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	**6,79,572**	**12,84,027**	**19,63,599**

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	Nill				

Annexure - B

Form MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st March, 2018

[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
(CIN:L67120MP1992PLC007182)
E-5 Ratlam Kothi Area,
Indore (M.P.) 452001

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, 2018 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, 2018 according to the provisions of:

I. The Companies Act, 2013 (the Act) and the rules made there under and the Companies Act, 1956 to the extent applicable;

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 thereunder 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, 2015;
   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
   d) The Securities and Exchange Board of India (share based employee benefit) Regulations, 2014.
   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); and
   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the company during the audit period)
   i) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015

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.
   (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 including one Woman Director.
The change in the composition of the Board of Director that took place during the period under review was carried out in compliance with the provision of the Act.

Adequate notice is given to all directors to schedule the Board Meetings including Committees thereof, along with the 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 by the directors.

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 referred to herein above.

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 & Co.
(Company Secretary)

Ajit Jain (Proprietor)
FCS M.No. 3933
CP No. : 2876

Date: 22/05/2018
Place: Indore

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
(CIN: L67120MP1992PLC007182)
E-5 Ratlam Kothi Area,
Indore (M.P.) 452001

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. Where ever 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 & Co.
(Company Secretary)

Ajit Jain (Proprietor)
M.No. 3933
CP No. : 2876

Date: 22/05/2018
Place: Indore

Annexure-C

Annual Report on CSR Activities

1. **A brief Outline of the Company's CSR policy, including overview of projects or programs to be undertaken to the CSR policy and projects or programs.**

   The CSR activities shall mean all the Corporate Social Responsibility activities/ programs/ initiatives of the company, either ongoing or new, dealing with the activities mentioned in thrust areas. The activities shall conform to those specified the CSR Committee and approved by the Board.
   CSR Policy of Arihant Capital Markets Limited is available on our website www.arihantcapital.com

2. **The Composition of the CSR Committee.**

   Mr. Ashok Kumar Jain : Chairman of the Committee
   Mr. Akhilesh Rathi : Member
   Mr. Pavan Kumar Ved : Member
   Mr. Sunil Kumar Jain : Member

3. **Average net profit of the company for last three financial years.**

   The average Net Profit for the last three years is ₹ 139.65 Lacs

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above).**

   The Company was required to spend ₹ 27.93 Lacs towards CSR for the Financial Year 2017-2018.

5. **Details of CSR spent during the Financial Year:**

   a) Total amount to be spent for the Financial Year 2017-2018 : ₹ 27.93 Lacs
   b) Amount Spent : ₹ 12.50 Lacs (Including Amount Spent ₹ 8.87 in FY 2015-16)
   c) Amount unspent : ₹ 24.30 Lacs (FY 2017-18)
   Unspent amount to be spent in the future in prospects government project, health care, education etc.
   d) Manner in which the amount spent during the Financial Year: Attached

6. **In case the company has failed to spend the two percent of the average net profit of the last three year Financial Year or any part thereof, the company shall provide the reason for not spending the amount in its Board Report.**

   Please refer to item no. 5(b) above.

7. **A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the company.**

   We hereby declare that implementation and monitoring of the CSR policy, is in compliance with CSR objectives and policy of the Company.

Ashok Kumar Jain
Chairman

Manner in which the amount spent during the Financial Year is detailed below:

(Amt. in Lacs)

S. No	CSR Project or Activity identified	Sector in which the project is covered	Project or programs 1. Local area or other 2. Specify the State and District where projects or programmes were undertaken	Amount Outlay (budget) project or programmes wise	Amount spent on the projects or programmes Subheads 1. Direct Expenditure 2. Overhead	Cumulative Expenditure upto the reporting period	Amount Spent: Direct through implementing agency
1.	Shree Kund Kund Kahan Shashwat Parmarthik Trust, Udiapur	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Udaipur (Raj.)	6	6	6	Direct
2.	Shri Gurudutt Kundkund Kahan Digamber Jain Swadhyai Mandir Trust (Dronagiri) Sendhwa, Chhatarpur	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Chhatarpur (M.P.)	2	2	2	Direct
3.	Contribution to " Sanyogitaganj Digamber Jain Panchayti Pathshala"	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Indore	2.50	2.50	2.50	Direct
4.	Contribution to "Seva Bharti Shiksha Samiti"	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.	Indore	1.00	1.00	1.00	Direct
5.	Contribution to the School of life	Combatting human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases	Mumbai	1.00	1.00	1.00	Direct
	Sub total			-	-	-	-
	Overhead			12.50	12.50	12.50	-
	Total CSR Spend			**12.50**	**12.50**	**12.50**	-

Annexure-D

FORM NO. AOC.1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

Sr. No.	Particulars	1	2	3	4	5	6	7	8
1	Name of the subsidiary	Arihant Financial Services Limited	Arihant Lifespace Infra Developers Limited	Arihant Futures & Commodities Limited	Arihant Insurance Broking Services Limited	Arihant Financial Planners & Advisors Private Limited	Arihant Housing Finance Corporation Limited	Ahinsa Lifespace Infraheight Limited	Arihant Capital (IFSC) Limited
2	Paid Up Share capital	25,00,000	45,00,000	35,50,000	75,00,000	25,00,000	2,50,00,000	1,90,00,000	1,10,00,000
3	Reserves & Surplus	6,06,92,805	11,10,24,367	12,94,12,212	11,45,979	12,79,710	31,64,640	-2,87,922	-4,28,665
4	Total assets	9,63,15,848	44,51,83,177	41,07,93,268	86,96,275	39,07,676	2,82,38,111	1,87,28,203	1,11,42,255
5	Total Liabilities	9,63,15,848	44,51,83,177	41,07,93,268	86,96,275	39,07,676	2,82,38,111	1,87,28,203	1,11,42,255
6	Investments	-	-	-	-	-	-	-	-
7	Turnover	1,81,63,297	1,24,20,821	6,68,15,283	6,67,262	19,27,395	23,55,498	5,395	37,969
8	Profit before taxation	67,13,198	2,60,791	92,88,266	1,84,871	10,20,702	8,82,176	-16,610	-82,745
9	Provision for taxation	15,83,578	49,636	25,80,708	47,748	2,69,097	2,47,126	14,838	-
10	Profit after taxation	51,29,620	2,11,155	67,07,558	1,37,123	7,51,605	6,35,050	-31,448	-82,745
11	Proposed Dividend	-	-	-	-	-	-	-	-
12	% of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Management Discussion and Analysis Report

FY2017-18 : A Glance

The global economic environment remained robust during FY 2017-2018, led by investment recovery, rebound in manufacturing & trade and an upswing in commodity prices. The momentum was driven by continued strong growth in emerging Asia, resurgence in European economy, tax cuts in the United States and improved spending in advanced economies.

As per International Monetary Fund, the global economy grew at 3.8 per cent in 2018 from 3.2 per cent in 2017. The growth was broad-based and almost 75 per cent of the countries registered a growth. Even more important was the fact that some of the countries that had high unemployment, such as many in the Euro area participated in the growth surge and experienced strong employment growth. Wage growth however remained tepid in advanced economies despite falling unemployment rates. A lower wage growth led to controlled inflation which had a positive impact on the financial markets.

The Indian economy, which accounts for over 70 per cent of South Asia's GDP expanded 7.4% in FY 2017-18 as compared to 7.6% in the previous year. Having recorded a Gross Domestic Product (GDP) of $2.6 trillion for 2017, India became the world's sixth largest economy, according to the database of the International Monetary Fund's World Economic Outlook (WEO) released in April 2018. IMF also estimated that the Indian economy would grow by 7.8 per cent in 2019, which makes India the world's fastest-growing economy.

India's current account deficit widened sharply to USD 13.0 billion in the fourth quarter of 2017-18, or 1.9 percent of GDP, from USD 2.6 billion, or 0.4 percent of GDP, in the same period of the previous fiscal year. Trade deficit rose to 16.6 Bn $in June 18 as compared to 13 Bn $ in June 2017 owing to higher import bill due to rising oil prices.

Sensex and Nifty delivered positive returns during the year. The large cap benchmark Nifty 50 rose 11.2% during the year at 10113 levels as on 31st March 2018 while S&P BSE Sensex also rose by 13.9% closing the fiscal year at 32968 level. Domestic stock markets have also seen a correction triggers during the end of the financial year 2017 -2018 from the introduction of LTCG and profit booking by Investors.

Outlook for 2019 : The right foundation for growth

Global Economy

At the meeting of finance ministers and central bankers from the Group of 20 nations held on July 21-22, the G-20 financial leaders called for more dialogue on rising global trade tensions. They see several risks to global growth like rising financial vulnerabilities, heightened trade and geopolitical tensions, global imbalances, inequality and structurally weak growth, particularly in some advanced economies. Christine Lagarde, Managing Director of the IMF has warned that a wave of trade tariffs could significantly harm the global economy, lowering growth by about 0.5%"in the worst-case scenario.

Indian Economic Highlights

India's rainfall deficit has shrunk to -2% by July 23rd, 2018 and water level in critical reservoirs has improved by 25% (y-o-y). However, kharif (summer crop) sowing is still lagging behind the previous year by 12%.

India's GST Council has pruned the 28% slab by cutting tax rates on 191 goods over the last one year, leaving just 35 items in the highest tax bracket. The rate cuts would lead to a revenue loss of about Rs 60 billion to the national exchequer. This move combined with the victory of the ruling party against a no confidence vote in the Parliament has improved the sentiment for local equities, even as corporate earnings results for Q1, FY19 remain mixed. Higher crude oil prices, strengthening of dollar index and FPI outflows weigh on the G-Sec & INR sentiment.

The demand conditions are likely to improve going forward in 2019 on improving expectations of employment and spending with rural demand aided by stronger monsoon. The Union Budget for FY 2018-19 has substantially increased the minimum support prices for farm procurement. Additionally, the farm loan waivers rolled out in various states and the Central Government's push towards rural infrastructure improve rural consumption and decreasing the impact of GST transition.

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 610 investment centers across India servicing over 1.34 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
- Commodities Broking
- Currency Derivatives Broking
- Merchant Banking (Category I)
- Priority Client Group
- Mutual Funds & IPO
- Affordable housing

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

The Operations function at your Broking Company has designed to deliver a superior and differentiated customer experience. During the FY your company's consolidated income cross ₹100 Cr. i.e the total income stood at ₹102.44 Cr. and reported a profit after tax of ₹ 20.66 Cr. With the strong reforms, we are clear that all our efforts must converge into real value creation for all our stakeholders; we have demonstrated our ability to do so through the financial returns we have delivered.

Your Company's consolidated performance during the financial year 2017-2018 is as follows: (₹ in lacs)

Year ended	March 31, 2018	March 31, 2017
Income from operations	9710.35	8296.41
Other Income	534.06	398.20
Total Income	**10244.41**	**8694.61**
Total Expenditure	7264.39	6189.31
Profit before Tax	2980.03	2505.31
Tax on Profit	913.20	836.80
Net Profit for the period	**2066.83**	**1668.51**
Earnings Per Share (₹)	9.93	8.01

Your company continued to maintain a cautious stance on the expenditure reducing its expenses, wherever feasible. The following table outlines company's expenditure: (₹ In Lacs)

Year ended	March 31, 2018	March 31, 2017
Cost of Sale	107.62	53.96
Employees Cost	1397.87	1241.29
Depreciation	99.15	83.59
Administrative & Other Expenditure	4941.23	4472.24
Financial Cost	718.51	338.22
Total Expenditure	**7264.38**	**6189.30**

During the year under review, the Company revamped its mobile trading application, Arihant Mobile to provide seamless trading experience to its clients with an improved UI/UX, real time market news and swipe to trade feature. Trading and accessing client information via mobile devices is the future of the industry and all the players are betting big on mobile applications for driving larger chunk of their business volumes.

Your Company also introduced e-KYC facility for on boarding clients online eliminating the need for filling up cumbersome physical forms and documents. The main objective of e-KYC is to register the customer with least amount of paper work and in the shortest possible time.

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:

- **Economic risk:** 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 and across the globe. 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. Obsolesce is another major concern as upgradation of technology is an ongoing exercise. Any significant changes in technology would pose pressure on our profitability.
- **Market risk:** The Company aims to mitigate market risks by using investment policies, Investment committees, and requirement of investment justifications and regular monitoring of performance.
- **Reputation Risk:** Over the years, the company pays special attention to issues that may create a reputational risk. Events that can negatively impact the organisation position are handled cautiously ensuring utmost compliance with relevant laws.
- **Credit risk:** 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.
- **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), Reserve Bank of India (RBI), Association of Mutual Funds in India (AMFI), National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL), Real Estate Regulatory Authority (RERA), 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

The Company continues to lay emphasis on developing and facilitating optimum human performance. Performance management was the key word for the Company this year. Recruitment process has been strengthened to ensure higher competence levels.

The enthusiasm of staff members continued to be high in sustaining positive growth of disbursement and in maintaining healthy recoveries. With the high level of commitment and loyalty by staff members, Arihant capital Markets Limited is confident to face the challenges of the tougher market conditions.

Our employees are among our best assets and indispensable for our continued success. We expect to continue investing in hiring talent and providing competitive compensation programmes to our employees. Competition for qualified personnel in our Company is intense, so our compensation and rewards philosophy has been designed to be competitive with bias for high performance. This helps us in two ways – employees strive to earn more and thus perform and we tend to attract high performers from the market who are ready to walk an extra mile with us.

Our 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, employees are mandatorily required to take relevant industry standard certifications such as National Institute of Securities Markets (NISM), 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.

All major festivals such as Navratri, Dussehra, Diwali, Christmas, New Year and Holi are celebrated across the Group with great enthusiasm.

Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects.

The CSR Policy may be accessed on the Company Website at the link : http://www.arihantcapital.com

The key philosophy of the Company 'CSR initiatives' is to promote development through social and economic transformation.
The Company has, interalia, identified following areas in which it may engage for its CSR activities.

- Addressing identified needs of the underprivileged through initiative directed towards promoting education including preventive health care.
- Any other activity falling within the scope of schedule VII to the Act.

During the year, the Company has spent ₹12.50 Lacs on CSR activities.

The details of CSR activities are a part of Board Report.

Internal Control System

Company has an adequate system of internal control in place which has been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliance with regulations and for ensuring reliability of financial reporting.
The Company continuously upgrades its systems in line with the best availability practices. These systems are supported by periodical reviews by the management and standard policies and guidelines to ensure that financial and other records are prepared accurately.

Risk management

Company has formulated a risk management framework which lays the procedure for risk assessment and mitigations. The Risk management Committee (RMC) has been constituted by the Board of Director of the Company, comprising functional executive /experts to identify, monitor and report on the potential risk associated with the Company 'business and periodically keeps the Audit Committee and the Board of Director apprised by of such risk and the measure taken by the Company to mitigate them.

Risk exposure is monitored and controlled through a variety of separate but complementary financial, credit, operational, compliance and legal reporting systems. Risk management department analyses this data in conjunction with the company's risk management policies and takes appropriate action where necessary to minimize risk.

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

Opportunities and Threats

Opportunities

- Commitment to superior quality and process execution.
- Increasing Financial Services industry's share of wallet for disposable income.

- Leadership in sophisticated solutions that enable our clients to optimize the efficiency of their business.
- Leveraging technology to enable best practices and processes.
- Corporates looking at consolidation / acquisitions / restructuring opens out opportunities for the corporate advisory business.

Threats

- Execution risk.
- Short term economic slowdown impacting investor sentiments and business activities.
- Slowdown in global liquidity flows.
- Increased intensity of competition from local and global players.
- Market trends making other assets relatively attractive as investment avenues.

Strength

'Arihant Capital Markets Limited' is a well-established brand among brokers in India. ACML have experienced top management team with a successful track record. It has established leadership in franchisee Business. The company's relationship with the franchisees has become stronger as they grew. ACML has multiple business partner models in franchising and is strongly committed to enhance growth and profitability of each of its franchisee. It believes that its understanding of equity as a class asset and business fundamental drives the quality of research and differentiates from its competitors.

Strategy

We intend to capitalize on the growth and consolidation of the brokerage industry and leverage our infrastructure to grow our market share and profitability. To achieve these goals, we seek to keep ourselves in sync with the growing dynamics of the industry on technology front, 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 strategic objective is to build a sustainable organization that remains relevant to the agenda of our clients, while creating growth opportunities for our employees and generating profitable returns for our investors

Compliance

The Compliance function of the Company is responsible for independently ensuring that operating and business units comply with regulatory and internal guidelines. The Compliance department of the Company is continued to play a pivotal role in ensuring implementation of compliance functions in accordance with the directives issued by regulators, the Company's Board of Directors and the Company's Compliance Policy. The Audit Committee of the Board reviews the performance of the Compliance Department and the status of compliance with regulatory / internal guidelines on a periodic basis. New instructions/ guidelines issued by the regulatory authorities were disseminated across the Company to ensure that the business and the functional units operate within the boundaries set by regulators and that compliance risks are suitably monitored and mitigated in their course of their activities and processes. New products and process launched during the year were subjected to scrutiny from compliance standpoint and proposals of financial services were screened from risk control prospective. The Company has complied with all requirements of regulatory authorities. No penalties / strictures were imposed on the Company by the stock exchanges or SEBI or any statutory authority on any matter related to capital market during the year.

Outlook and challenges

The continual growth in the Finance sector is expected to give the necessary support to the Finance industry. The Company is making all efforts to accelerate growth of its business. It expects to improve its position in the market by focusing on technologically advanced and more profitable products/market segments. However, the challenges remain on being able to leverage these initiatives to carve out a space in the competitive broking industry and be able to take Company to the masses efficiently and at optimal cost.

Cautionary Statement

Certain statements in the Management Discussion and Analysis describing the Company's objectives, predictions may be "forward looking statements" within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, volatility in interest rates, new regulations and government policies that may impact the Company's business as well as its ability to implement the strategy. The Company does not undertake to update these statements.

Report on Corporate Governance

In accordance with the provision of the SEBI (Listing Obligation and Disclosure Requirement) regulation, 2015 (Listing Regulation) the report containing the details of Corporate Governance systems and processes at Arihant Capital Markets Limited is as follows:

1) Company's philosophy on corporate governance

Corporate Governance at Arihant Capital Markets Limited has been a continuous journey and the business goals of the Company are aimed at the overall well being and welfare of all the constituents of the system. The Company firmly believes and has consistently practiced good Corporate Governance.

The Company's policy is reflected by the very values of transparency, professionalism and accountability. Arihant Capital Markets Limited constantly strives towards betterment and these aspects and thereby perpetuate in into generating long term economic value for its Shareholders, customer, employees other associated persons and the society as a whole.

Your Company confirms the compliance of Corporate Governance as contained in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) regulations, 2015 (SEBI LODR Regulation)" as amended , the details of which are given below:

2) Board of Directors

a) Composition and Category of the Board

The Board, comprising of eminent professionals with expertise across a wide spectrum of domains, ensures business decisions which enhance long term interest of all stakeholder. The Company has the policy to have an appropriate mix of executive, non executive and independent directors to maintain the independence of the Board. On March 31, 2018 the Board consists of 7 (seven) Directors out of which 2 (two) are executive directors, 3 (Three) are independent directors and 2 (Two) are non executive directors.

During the financial year 2017-18 Mr. Ashish Maheshwari has appointed as an Additional Independent Director.

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, 2018 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	6*	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 Director	3	Nil	Nil
5.	Mr. Pavan Kumar Ved	02055767	Non - executive Director	Nil	Nil	Nil
6.	Mr. Parag Rameshbhai Shah	00512469	Non - executive Independent Director	Nil	Nil	Nil
7.	Mr. Ashish Maheshwari	00185949	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

with Companies Act, 2013 and "SEBI (LODR) Regulations, 2015".

- 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 2018. These were held on 27-May-2017, 09-September - 2017, 24-November-2017, and 03-February-2018.

The details of director's attendance at board meetings held during financial year 2017-18 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	3	Yes
4.	Mrs. Anita Surendra Gandhi	4	4	No
5.	Mr. Paragbhai Rameshbhai Shah	4	2	No
6.	Mr. Pavan Kumar Ved	4	4	YES
7.	Mr. Shailesh Kumath*	1	1	N.A.
8.	Mr. Ashish Maheshwari	4	3	No

**Mr. Shailesh Kumath resigned on 14th June, 2017.*

The Company provides the information as set out in Regulation 17 (7) [Part A of Schedule II] of "SEBI (LODR) Regulations, 2015" 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.

Committees of the Board

To enable better and more focused attention on the affairs of the Company, the board delegates particular matters to committees of the directors set up for the purpose. Each committee of the Board is guided by its charter, which defines the scope, powers and composition of the Committee. During the financial year, the board is assisted by various committees:

i) Audit Committee
ii) Stakeholders Relationship Committee
iii) Remuneration and Nomination Committee
iv) Corporate Social Responsibility Committee

3) Audit committee

The Audit Committee is constituted in accordance with the provisions of Regulation 18 of the SEBI (LODR) Regulations, 2015 and

Section 177 of the Companies Act, 2013. The Audit Committee of Arihant consists of three members, viz., Mr. Akhilesh Rathi, Mr. Sunil Kumar Jain and Mr. Parag Rameshbhai Shah. The chairman of the Committee is Mr. Akhilesh Rathi, and Mr. Mahesh Pancholi acts as the Secretary to the Committee. In case of absence of Chairman in the meeting, Mr. Parag Rameshbhai Shah shall act as chairman of the meeting.

The Audit Committee monitors and supervises the Management's financial reporting process, to ensure accurate and timely disclosures with highest levels of transparency, integrity and quality of financial reporting.

The Committee held Four (4) meetings during the financial year 2017-18, on 27-May-2017, 09-September -2017, 22-November-2017, and 03-Feb-2018. 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	4
2.	Mr. Sunil Kumar Jain	Member	4	4
3.	Mr. Parag Rameshbhai Shah	Member	4	2

4) Nomination and Remuneration Committee

The Nomination and Remuneration Committee determines and recommends to the Board the compensation payable to the directors. The remuneration committee consists of four non–executive directors as members, viz., Mr. Akhilesh Rathi, Mr. Sunil Kumar Jain and Mr. Parag Rameshbhai Shah and Mr. Pavan Kumar Ved. Mr. Mahesh Pancholi acts as the secretary and Mr. Akhilesh Rathi is the chairman of the committee. In case of absence of Chairman in the meeting, Mr. Pavan Kumar Ved Shah shall act as chairman of the meeting. The Committee's composition meets with requirements of Section 178 of the Companies Act, 2013 and Regulation 19 (Chapter IV) of the SEBI (LODR) Regulations, 2015. One meetings of the committee was held during the financial year 2017-18.

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.

The attendance of each member at the Committee Meeting is as given below:

S. No.	Name of the Director	Position	No. of Meetings	
			Held	Attended
1.	Mr. Akhilesh Rathi	Chairman	1	1
2.	Mr. Sunil Kumar Jain	Member	1	1
3.	Mr. Parag Rameshbhai Shah	Member	1	1
4.	Mr. Pavan Kumar Ved	Member	1	1

Leave of absence was granted to the Directors who could not attend the respective meetings.

5) Remuneration of 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 chairman and managing director and whole-time director during the year is as under:

(Amount in ₹)

S. No.	Name of the Director	Salary	Perquisite	Commission	Total
1.	Mr. Ashok Kumar Jain	48,00,000	84,029	1,25,00,000	1,73,84,029
2.	Mrs. Anita S. Gandhi	32,36,800	-	-	32,36,800

Sitting fees and shares held by non-executive & Independent Directors

(Amount in ₹)

S. No.	Name of the Director	No. of Equ ity Shares	Sitting fees
1.	Mr. Sunil Kumar Jain	1606656	80000
2.	Mr. Akhilesh Rathi	39847	80000
3.	Mr. Parag Rameshbhai Shah	0	40000
4.	Mr. Pavan Kumar Ved	0	80000
5.	Mr. Shailesh Kumath*	0	20000
6.	Mr. Ashish Maheshwari	0	60000

**Mr. Shailesh Kumath resigned on 14th June, 2017.*

6) Stakeholders Relationship Committee

The Stakeholders Relationship committee comprising of four members, viz. Mr. Akhilesh Rathi, Mr. Ashok Kumar Jain Mr. Sunil Kumar Jain and Mr. Pavan Kumar Ved, 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. In case of absence of Chairman in the meeting, Mr. Pavan Kumar Ved Shah shall act as chairman of the meeting.

The term of reference of the Committee is as follows:

1. To review the reports submitted by the registrars and Share Transfer Agents of the Company at Quarterly Intervals.
2. To periodically interact with the Registrars and Share Transfer Agent to ascertain and look into the quality of the Company Shareholder / investor grievance redressal system and to review the report on the functioning of the Investor grievances redressal system.
3. To follow up on the implementation of suggestion for improvement, if any.
4. To periodically report to the Board about serious concern if any.
5. To consider and resolve the grievances of the security holders of the Company.

The attendance of each member at the Committee Meeting is as given below:

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

The Committee held Four (4) meetings during the financial year 2017-18, on 27-May-2017, 09-September -2017, 22-November-2017, and 03-Feb-2018. 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 no. and e-mail addresses to facilitate prompt action. During the year company had received total 20 complaints and resolved them. There were no complaints outstanding as on March 31, 2018.

The Committee's Composition meets with the requirements of Section 178(5) of the Companies Act, 2013 and Clause 20 (Chapter IV) of the SEBI (LODR) Regulations, 2015.

7) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee of the Board is constituted in compliance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Annual report on CSR activities, as per the prescribed format, forms part of the Board report.

The broad functions of the committee are as under :

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy;
- Recommend the amount of expenditure to be incurred on CSR activities;

- Review performance of the Company in the areas of CSR; and
- Monitor CSR policy from time to time.

Composition and Meetings

The Corporate Social Responsibility (CSR) Committee comprises of four Directors, viz. Mr. Ashok Kumar Jain, Mr. Akhilesh Rathi, Mr. Pavan Kumar Ved, and Mr. Sunil Kumar Jain. Mr. Ashok Kumar Jain is the Chairman of the committee while Mr. Mahesh Pancholi, the compliance officer of the Company, acts as the secretary to the committee. The Committee held one (1) meeting during the financial year 2017-18, on 03-Feb-2018. The necessary quorum was present for the meeting.

The attendance of member at the Committee Meeting is as given below:

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

8) General body meetings

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

Financial Year	Venue	Date	Time
2014-2015	Hotel Sayaji, H/1, Scheme No. 54, Vijay Nagar, Indore (MP)	08/08/2015	12:30 P.M.
2015-2016	Hotel President, R.N.T. Marg, Indore (MP)	17/09/2016	12:30 P.M.
2016-2017	Hotel Lemon Tree, R.N.T. Marg, Indore (MP)	09/09/2017	12:30 P.M.

Special resolution/ Postal ballot

In the Last AGM dated 09th of September, 2017 of our Company has passed 2 special resolutions in the meeting. During the year under review, there was no special resolution that passed through postal ballot.

9) General shareholder information:

Details required to be provided in this segment is presenting by us as a Separate Section "General Shareholder Information" on page number 38 in the Annual Report.

10) Means of Communication

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 English (Free Press) and Hindi language (Chotha Sansar). The auditors observations/suggestions/qualifications, if any, have been adequately explained wherever necessary in the appropriate notes to accounts and are self explanatory.

11) Other 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. 24 of the annual accounts of the Company forming part of the annual report.
ii. 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.
iii. The Company has implemented the mandatory requirements of corporate governance as set out in the listing agreement with stock exchanges. In respect of compliance with the non-mandatory requirements, the Company has constituted a Nomination and remuneration committee, details where of are given under the heading of Nomination and remuneration committee.

iv. The Board of Directors has approved the vigil mechanism/Whistle blower policy of the Company which provides a framework to promote a responsible and secure whistle blowing. It protects employees wishing to raise a concern about serious irregularities within the Company. It provides for a vigil mechanism to channelize reporting of such instances/ complaints/ grievances to ensure proper governance. The Audit Committee oversees the vigil mechanism.

12) Management discussion and analysis report

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

13) 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, 2015, as amended from time to time.

14) Code of conduct for directors and senior management

The Company has a duly approved Code of Conduct for the Board of Directors and Senior Management Personnel of the Company in place in terms of the requirements of SEBI (LODR) Regulations, 2015. The Code is applicable to all board members and senior management personnel one level below the executive directors including all functional heads. The Code requires the Directors and employees to act honestly, ethically and with integrity and in a professional and respectful manner. 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.

15) CEO / CFO certification

As required under Regulation 17 (8) and Regulation 33 (2) (a) of the SEBI (LODR) Regulations, 2015 with the BSE, the CEO/CFO certificate for the financial year 2017-18 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 28th May, 2018.

16) Subsidiary Companies

The company does not have any material subsidiary as defined under as per the provisions of Regulation 16 (c) of the SEBI (LODR) Regulations, 2015. 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.

17) Compliance certificate

Certificate from the practicing company secretary confirming the compliance with all the conditions of corporate governance as stipulated in Schedule V (E) of the SEBI (LODR) Regulation, 2015 is enclosed along with this report.

18) Declaration Affirming Compliance of Code of Conduct

As provided under Regulation 26(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and senior management personnel have confirmed compliance with the code of conduct for the year ended March 31st, 2018.

For Arihant Capital Markets Ltd

Ashok Kumar Jain
Chairman and Managing Director

Place: Indore
Date: 11/08 /2018

GENERAL SHAREHOLDER'S INFORMATION

1.	**Date and Time of 26th AGM**	September 25th, 2018, 12:30 P.M.
2.	**Venue of Annual General Meeting (AGM)**	Lemon Tree Hotel 3, RNT Marg, Indore 452001 (M.P.)
3.	**Date(s) of Book Closure**	19.09.2018 to 25.09.2018 (both days inclusive)
4.	**Financial Calendar** **Financial Results for* -** Quarter ending June 30th, 2018 Quarter ending September 30th, 2018 Quarter ending December 31st, 2018 Year ending March 31st, 2019 *tentative dates	 Second week of August, 2018 Second week of November, 2018 Second week of February, 2019 Last week of May, 2019
5.	**Financial Year**	1st April to 31st March
6.	**Dividend Payment Date**	On or after 30th September, 2018
7.	**Listing of Equity Shares on the Stock Exchange at**	The BSE Limited P.J. Towers, Dalal Street, Mumbai-400001 The Annual Listing Fees as applicable have been paid.
8.	**CIN of the Company**	L67120MP1992PLC007182
9.	**Security Code**	511605
10.	**ISIN**	INE420B01028
11.	**Stock Market Data:**	Monthly high and low stock price along with volumes of equity shares traded on BSE for the FY2017-18 is given below:

Month	High (₹)	Low (₹)	Volume (No)
April 2017	76.80	56.00	1,56,332
May 2017	70.00	56.20	1,80,270
June 2017	84.50	57.65	3,33,234
July 2017	102.80	74.15	8,33,852
August 2017	121.00	76.00	4,34,113
September 2017	176.40	117.00	16,50,094
October 2017	192.00	141.00	7,74,407
November 2017	204.50	160.00	8,38,272
December 2017	178.90	155.00	3,27,516
January 2018	183.90	160.80	4,30,045
February 2018	170.00	125.20	2,59,161
March 2018	129.80	100.05	3,67,708

12. Distribution schedule as on March 31st, 2018

Shareholding of Nominal Value of		Share holders No.	% of Total Share holders	Share Amount in ₹	% of Total Equity
₹	₹				
UPTO	1000	3005	53.81	1163020	1.12
1001	2000	826	14.79	1250555	1.20
2001	3000	354	6.34	891925	0.86
3001	4000	579	10.37	1898850	1.82
4001	5000	234	4.19	1124670	1.08
5001	10000	288	5.16	2121585	2.04
10001	20000	137	2.45	2044650	1.96
20001	30000	59	1.06	1471645	1.41
30001	40000	29	0.52	978340	0.94
40001	50000	14	0.25	627505	0.60
50001	100000	2	0.39	1527960	1.47
100000	ABOVE	37	0.66	89012095	985.50
Total		**5584**	**100.00**	**104112800**	**100.00**

13. Dematerialization of Shares — About 98.02 per cent of Company's paid up equity share capital has been dematerialized up to March 31st, 2018

14. Dematerialized at NSDL & CDS — 20410696

Physical — 411864

15. Shareholding Pattern as on March 31, 2018:

Category	No. of Shares Held	% of Shareholding
Promoters & Promoters Group	15421052	74.06
Mutual Funds & Institutional Investors	NIL	NIL
Corporate Bodies	484171	2.33
Indian Public	4607653	22.13
NRI / OCB	295117	1.42
Others – Clearing Members	14567	0.07
TOTAL	**20822560**	**100.00**

16. 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 also obtains a certificate of compliance with the share transfer and other related formalities within the stipulated time period, from a Practicing Company Secretary, as required under Regulation 40(9) of the SEBI Listing Regulations and files a copy of the same on half yearly basis with the Bombay 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.

17. 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: Registrar and Share Transfer Agent: 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 Arihant Capital Markets Limited E-5 Ratlam Kothi, Indore - 452001, (M.P.) Telephone No.: 731- 4217261 Fax No.: 731-4217199 Email: mahesh.pancholi@arihantcapital.com

Notes:

I. Annual listing fee for the Year 2018-19 has been paid to the BSE Limited, Mumbai.

II. Annual Custody Fee for the Year 2018-19 has been paid to NSDL and CDSL.

III. Distribution schedule and Shareholding Pattern as on March 31st, 2018.

IV. During the Financial Year 2017-18, the Company has credited ₹ 3,47,588/- lying unpaid /unclaimed in the dividend account (2009-10) 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 2010-11, 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 September 9, 2017 (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 Schedule V (F) of the SEBI (LODR) Regulation,2015 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 Schedule V (F) of the SEBI (LODR) Regulation,2015, the details of the shares in the Suspense Account are as follows:

Particulars	Number of Shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1st, 2017	187	155520
Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year	143	74000
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 31st, 2018	44	81520

The voting rights on the shares in the suspense accounts as on March 31st, 2018 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 wherever 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.

XI. SEBI has mandated submission of Permanent Account Number (PAN) by every participant in the Securities Market. Members holding shares in electronic form are, therefore, requested to furnish their PAN details to their DP, if not already provided. Members holding shares in physical form are required to mandatory submit the copy of their PAN, if not already provided to registrar and Share Transfer Agent.

XII. In case of loss /misplacement of share certificates, investors should immediately lodge a FIR/Complaint with the police and inform the Company /Registrar and Share Transfer Agent along with a copy of FIR /acknowledge copy of complaint.

XIII. We solicit suggestion for improving our investor services.

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 2018, as stipulated in the SEBI (LODR) Regulation, 2015. ("Listing Regulation"). We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination has been limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said Listing Regulations. 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 and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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 Secretary

CS Ajit Jain
Proprietor
FCS: 3933 CP: 2876

Date: 21/05/2018
Place: Indore

INDEPENDENT AUDITORS' REPORT

TO,
THE MEMBERS
ARIHANT CAPITAL MARKETS LIMITED

Report on the Standalone 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, 2018, 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 Standalone 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 standalone 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. 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 standalone 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, 2018, 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, 2016 ("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", 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 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
   (f) With respect to the adequacy of the internal financial control over financial reporting of the company and the operating effectiveness of such control, refer to our separate report in Annexure "B"; and
   (g) 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 28 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 Dinesh Ajmera & Associates
Chartered Accountants
Firm Reg. No:011970C

CA Dinesh Ajmera
Partner
Membership No. : 402629
Indore, May 28, 2018

ANNEXURE "A" 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, 2018

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 of the Company are physically verified by the management at regular intervals, which in our opinion, is reasonable considering the size of the Company and the nature of assets. During the year, as informed to us by management, no material discrepancies have been noticed on such verification.

   c) The title deeds of immovable properties are held in the name of the Company.

2. 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 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 one company covered in the register maintained under section 189 of The Companies Act, 2013.

   (a) The rate of interest and other terms and conditions on which the loan had been granted to the body corporate listed in the register maintained under section 189 of the Act are not prejudicial to the interest of the company.

   (b) There are no stipulations for the repayment schedule however the rate of interest is stipulated for the loan granted to the body corporate listed in the register maintained under section 189 of the Act. The borrower is regular in the payment of principal and interest wherever stipulated.

   (c) As per records of the Company and according to the information and explanation 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 complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investment, guarantees and security.

5. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from 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 on by the Company

7. a) As per the records of the Company, the company is regular in depositing the statutory dues including provident fund, income 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, 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, there are no dues of income tax, sales tax, service tax, custom duty, excise duty, cess which have not been deposited on account of any dispute.

8. The Company has not defaulted in payments of any dues to financial institutions, banks or debenture holders. The Company did not have any dues to financial institutions or debenture holder during the year.

9. According to the information and explanation given to us and the record examined by us, the Company has not raised any money by way of initial public offer or further public offer. Hence, clause 3(ix) of the order is not applicable.

10. Based upon the audit procedures performed and information and explanations given by the management, we report that no material fraud on or by the Company has been noticed or reported during the period covered by our audit.

11. According to the information and explanation given to us and the record examined by us, the Company has provided managerial remuneration during the year in accordance with the requisite approvals mandated by the provisions of section 197 read with

Schedule V to the Companies Act.

12. The Company is not Nidhi Company. Hence, clause 3(xii) of the order is not applicable.

13. According to the information and explanation given to us and the record examined by us, all the transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in financial statements etc., as required by the applicable accounting standards.

14. According to the information and explanation given to us and the record examined by us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

15. According to the information and explanation given to us, the Company has not entered into any non cash transactions with directors or persons connected with him.

16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Dinesh Ajmera & Associates
Chartered Accountants
Firm Reg. No:011970C

CA Dinesh Ajmera
Partner
Membership No. : 402629
Indore, May 28, 2018

ANNEXURE "B" AS REFERRED TO IN PARAGRAPH 2(f) UNDER THE HEADING OF "REPORT ON 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, 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Arihant Capital Market Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company;
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Dinesh Ajmera & Associates
Chartered Accountants
Firm Reg. No:011970C

CA Dinesh Ajmera
Partner
Membership No. : 402629
Indore, May 28, 2018

Standalone Balance sheet as at 31st March, 2018

Particulars	Note No.	31st March, 2018 ₹	31st March, 2017 ₹
EQUITY & LIABILITIES			
Shareholders' fund			
Share Capital	2	10,41,12,800	10,41,12,800
Reserves and Surplus	3	83,73,45,630	65,43,71,312
		94,14,58,430	**75,84,84,112**
Non-Current Liabilities			
Long Term Provisions	4	66,59,618	71,61,572
Deferred Tax Liabilities (net)	5	56,61,453	40,27,846
		1,23,21,071	**1,11,89,418**
Current Liabilities			
Short-Term Borrowings	6	91,43,46,408	8,46,31,609
Trade Payables	7	41,43,75,701	40,00,72,369
Other Current Liabilities	8	17,98,42,395	14,11,73,486
Short-Term Provisions	9	28,73,446	17,24,890
		151,14,37,950	**62,76,02,353**
TOTAL		**246,52,17,451**	**139,72,75,883**
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	9,39,66,605	8,02,66,435
Intangible Assets	10	69,60,709	21,59,823
Non-Current Investments	11	13,54,86,480	13,54,86,480
Other Non-Current Assets	12	1,70,85,000	1,70,85,000
		25,34,98,794	**23,49,97,738**
Current Assets			
Current Investments	13	2,64,06,390	14,99,93,060
Inventories	14	12,83,48,787	1,70,23,255
Trade Receivables	15	115,71,08,939	62,03,53,483
Cash and Cash Equivalents	16	75,23,54,357	21,41,60,314
Short-Term Loans and Advances	17	9,23,16,209	8,00,19,726
Other Current Assets	18	5,51,83,976	8,07,28,307
		221,17,18,658	**116,22,78,145**
TOTAL		**246,52,17,451**	**139,72,75,883**

Significant Accounting Policies and Notes on Financial Statements 1 to 38

For and on behalf of the Board

As per our report of even date
For Dinesh Ajmera & Associates
Chartered Accountants
Firm Reg No:011970C

CA. Dinesh Ajmera
Partner
Membership No. : 402629
Indore, 28th May, 2018

Ashok Kumar Jain
(Chairman & Managing Director)
DIN-00184729

Anita S Gandhi
(Whole Time Director)
DIN-02864338

Mahesh Pancholi
(Company Secretary)

Tarun Goyal
(CFO)

Standalone Statement of Profit and Loss for the Year Ended 31st March, 2018

Particulars		Note No.	31st March, 2018 ₹	31st March, 2017 ₹
Income				
I	Revenue from Operations	19	91,25,69,172	75,39,80,867
II	Other income	20	3,01,30,070	1,54,34,391
III	**Total Revenue (I+II)**		**94,26,99,242**	**76,94,15,257**
IV	**Expenses**			
	Employee benefits expenses	21	12,27,81,204	10,87,78,991
	Finance costs	22	6,68,53,069	2,53,72,703
	Other expenses	23	45,69,30,918	40,29,76,347
	Net depreciation and amortization expenses	10	92,81,962	75,78,633
	Total (IV)		**65,58,47,152**	**54,47,06,674**
V	**Profit Before Exceptional and Extraordinary Items and Tax (III-IV)**		**28,68,52,090**	**22,47,08,584**
VI	Exceptional items		0	0
VII	**Profit Before Extraordinary Items and Tax (V-VI)**		**28,68,52,090**	**22,47,08,584**
VIII	Extraordinary Items		0	0
IX	**Profit Before Tax (VII-VIII)**		**28,68,52,090**	**22,47,08,584**
X	Tax expenses			
	Current tax		8,48,93,400	7,49,78,492
	Deferred tax		16,33,607	6,26,862
	Total tax expenses		**8,65,27,007**	**7,56,05,354**
XI	**Profit/(loss) for the year**		**20,03,25,083**	**14,91,03,230**
XII	Earnings per Share	25		
	Equity Shares of ₹5 each			
	Basic		9.62	7.16
	Diluted		9.62	7.16

Significant Accounting Policies and Notes on Financial Statements 1 to 38

For and on behalf of the Board

As per our report of even date
For Dinesh Ajmera & Associates
Chartered Accountants
Firm Reg No:011970C

CA. Dinesh Ajmera
Partner
Membership No. : 402629
Indore, 28th May, 2018

Ashok Kumar Jain
(Chairman & Managing Director)
DIN-00184729

Anita S Gandhi
(Whole Time Director)
DIN-02864338

Mahesh Pancholi
(Company Secretary)

Tarun Goyal
(CFO)

Standalone Cash Flow Statement for the year ended 31st March, 2018

Particulars	Note No.	31st March, 2018 ₹	31st March, 2017 ₹
Cash flow from operating Activities			
Net profit before taxation		28,68,52,090	22,47,08,584
Add adjustments for :			
(Profit) / Loss on sale of fixed assets		-13,861	1,12,081
Provision for Loss on Option Contract		0	-23,82,765
Provision for Gratuity		6,46,602	12,30,790
Depreciation / amortisation		92,81,962	75,78,633
Dividend income		-1,11,68,335	-19,21,816
Operating profit before working capital changes		28,55,98,457	22,93,25,506
Adjustments for changes in working capital :			
- Trade and other receivables		-53,67,55,456	-36,78,87,645
- Inventories		-11,13,25,532	12,37,27,591
- Loans & advances		1,53,12,862	-9,54,22,495
- Trade and other payables		5,29,72,242	22,95,03,292
Cash generated from operation		-29,41,97,427	11,92,46,249
- Taxes paid (net)		-8,69,58,414	-7,58,50,566
Net cash from Operating Activities (A)		**-38,11,55,840**	**4,33,95,683**
Cash flow from Investing Activities			
(Purchase) / Sales of fixed assets		-2,77,69,157	-63,85,411
(Purchase) / Sales of investments		12,35,86,671	-16,22,12,560
Dividend received		1,11,68,335	19,21,816
Net cash used in Investing Activities(B)		**10,69,85,849**	**-16,66,76,155**
Cash flow from Financing Activities			
Dividend paid		-1,56,16,920	0
Dividend distribution tax paid		-17,33,845	0
Increase/ (Decrease) in secured loans		82,97,14,799	8,46,31,609
Net cash used in Financing Activities(C)		**81,23,64,034**	**8,46,31,609**
Net increase in cash and cash equivalents (A+B+C)		53,81,94,043	-3,86,48,862
Cash and cash equivalents at the beginning of the year		21,41,60,314	25,28,09,177
Cash and cash equivalents at the end of the year		**75,23,54,357**	**21,41,60,314**
Cash and cash equivalents comprise of			
Cash and cheques in hand		4,21,519	99,118
Balances with scheduled banks		75,19,32,839	21,40,61,196
Total		**75,23,54,357**	**21,41,60,314**

Significant Accounting Policies and Notes on Financial Statements 1 to 38

For and on behalf of the Board

As per our report of even date
For Dinesh Ajmera & Associates
Chartered Accountants
Firm Reg No:011970C

CA. Dinesh Ajmera
Partner
Membership No. : 402629
Indore, 28th May, 2018

Ashok Kumar Jain
(Chairman & Managing Director)
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Anita S Gandhi
(Whole Time Director)
DIN-02864338

Mahesh Pancholi
(Company Secretary)

Tarun Goyal
(CFO)

Notes Forming Part of Standalone Financial Statements for the year ended 31st March, 2018

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 accrual on the basis of the date of trade settlement, of respective stock exchanges.
b) Other Income is accounted for on accrual basis.
c) 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) 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.

(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.

(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

i. Gratuity liability is a defined benefit obligation and is wholly unfunded. The Company accounts for liability for future gratuity benefits based on actuarial assumptions.

ii. 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.

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 recognized 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 recognized 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 recognized 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 for the year ended 31st March, 2018

Particulars	31st March, 2018 ₹	31st March, 2017 ₹
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**
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.The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.		
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 (7.72%)	16,06,656 (7.72%)
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	56,03,42,139	48,03,42,139
Add: Transfer from Profit & Loss	15,00,00,000	8,00,00,000
Closing Balance	**71,03,42,139**	**56,03,42,139**
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statements	9,40,29,172	2,49,25,942
Profit for the year	20,03,25,083	14,91,03,230
Less: Appropriations		
Equity Dividend (Dividend per share ₹0.75)	1,56,16,920	0
Dividend Distribution Tax	17,33,845	0
Transfer to General Reserve	15,00,00,000	8,00,00,000
Net surplus in the statement of Profit and Loss	**12,70,03,490**	**9,40,29,172**
Total	**83,73,45,630**	**65,43,71,312**

Notes Forming Part Of Standalone Financial Statement for the year ended 31st March, 2018

Particulars	31st March, 2018 ₹	31st March, 2017 ₹
4. Long Term Provisions		
Provision for Employee Benefits	66,59,618	71,61,572
Total	**66,59,618**	**71,61,572**
5. Deferred Tax Liabilities/ (Assets)		
Deferred Tax Liabilities		
Related to Fixed Assets	96,67,109	75,56,291
Total (a)	**96,67,109**	**75,56,291**
Deferred Tax Assets		
Disallowance under the Income Tax Act, 1961	40,05,656	35,28,445
Total (b)	**40,05,656**	**35,28,445**
Net Deferred Tax Liabilities /(Assets) [(a)-(b)]	**56,61,453**	**40,27,846**
6. Short Term Borrowings		
Secured		
From Bank*	91,43,46,408	8,46,31,609
Total	**91,43,46,408**	**8,46,31,609**
* Bank Overdraft are secured against pledge of securities, trade receivables and property.		
7. Trade Payables		
Sundry Creditors (Includes Trade Payables)		
Other than Micro, Small and Medium Enterprises	41,43,75,701	40,00,72,369
Micro, Small and Medium Enterprises (Refer Note 30)	0	0
Total	**41,43,75,701**	**40,00,72,369**
8. Other Current Liabilities		
Other Payables	7,89,47,576	7,87,16,339
Unpaid Dividend #	23,07,865	23,35,786
Deposits from Intermediateries & Others	9,85,86,953	6,01,21,361
Total	**17,98,42,395**	**14,11,73,486**
# Out of the above amount, the company is required to credit a sum of ₹3,05,301/- lying in the unpaid/unclaimed dividend account, on or before 31st October, 2018 to the Investor Education & Protection Fund pursuant to Sub -section (1) of Section 125 of The Companies Act, 2013.		
9. Short-Term Provisions		
Provision for Employee Benefits	28,73,446	17,24,890
Total	**28,73,446**	**17,24,890**

Notes Forming Part Of Standalone Financial Statement for the year ended 31st March, 2018

10. Fixed Assets

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April 2017	Additions for the Year	Deductions Adjustment for the Year	As at 31st March, 2018	As at 1st April 2017	For the Year	On Deductions	As at 31st March, 2018	As at 31st March, 2018	As at 31st March, 2017
Tangible Assets										
Building	6,71,44,313	0	0	6,71,44,313	65,62,378	10,61,809	0	76,24,187	5,95,20,126	6,05,81,935
Furniture & Fixtures	2,43,74,895	19,09,747	7,51,943	2,55,32,699	1,66,63,808	13,17,993	7,51,243	1,72,30,557	83,02,142	77,11,087
Office Equipments	1,23,23,704	12,49,747	80,775	1,34,92,676	97,62,021	8,50,696	76,736	1,05,35,981	29,56,695	25,61,683
Computers	4,06,67,711	64,32,754	34,63,826	4,36,36,639	3,44,59,037	37,41,882	34,60,326	3,47,40,593	88,96,046	62,08,674
Electrical Installations	22,81,995	81,831	0	23,63,826	9,37,684	1,76,262	0	11,13,946	12,49,880	13,44,311
Motor Vehicles	56,89,076	1,27,60,760	0	1,84,49,836	38,30,331	15,77,788	0	54,08,120	1,30,41,716	18,58,745
Sub Total (A)	**15,24,81,694**	**2,24,34,839**	**42,96,544**	**17,06,19,989**	**7,22,15,259**	**87,26,430**	**42,88,305**	**7,66,53,383**	**9,39,66,605**	**8,02,66,435**
Intangible Assets										
Software	1,57,80,643	53,56,418	0	2,11,37,061	1,36,20,821	5,55,532	0	1,41,76,352	69,60,709	21,59,822
Sub Total (B)	**1,57,80,643**	**53,56,418**	**0**	**2,11,37,061**	**1,36,20,821**	**5,55,532**	**0**	**1,41,76,352**	**69,60,709**	**21,59,822**
Total (A+B)	**16,82,62,337**	**2,77,91,257**	**42,96,544**	**19,17,57,050**	**8,58,36,080**	**92,81,962**	**42,88,305**	**9,08,29,736**	**10,09,27,314**	**8,24,26,257**
Previous year	**16,24,92,452**	**65,07,136**	**7,37,251**	**16,82,62,337**	**7,87,60,891**	**75,78,633**	**5,03,444**	**8,58,36,080**	**8,24,26,257**	**8,37,31,561**

Notes Forming Part Of Standalone Financial Statement for the year ended 31st March, 2018

Particulars	FV ₹	31st March, 2018 Quantity	31st March, 2018 ₹	31st March, 2017 Quantity	31st March, 2017 ₹
11. Non Current Investments					
Trade Investments					
In Equity Shares - Quoted, fully paid up					
BSE Limited	2	644	0	644	0
In Equity Shares - Unquoted, fully paid up					
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 Future & Commodities Limited	10	355000	79,52,045	355000	79,52,045
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 Planner and Advisor Private Limited	10	250000	25,00,000	250000	25,00,000
Ahinsa Lifespace Infraheight Ltd .	10	1900000	1,90,00,000	1900000	1,90,00,000
Arihant Capital (IFSC) Limited	10	1100000	1,10,00,000	1100000	1,10,00,000
Arihant Housing Finance Corporation Limited	10	2500000	2,50,00,000	2500000	2,50,00,000
			13,40,76,480		**13,40,76,480**
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	90000	9,00,000
			9,05,000		**9,05,000**
Total Other Investment (B)			**13,49,81,480**		**13,49,81,480**
Total Non Current Investments (A+B)			**13,54,86,480**		**13,54,86,480**
Aggregate Value of Quoted Investments					
- At Cost			0		0
- At Market Value			4,86,993		6,29,607
Aggregate Value of Unquoted Investments			13,54,86,480		13,54,86,480
12. Other Non Current Assets					
(Unsecured, considered good)					
Deposits with Exchanges / Depositories			1,70,85,000		1,70,85,000
Total			**1,70,85,000**		**1,70,85,000**

Notes Forming Part Of Standalone Financial Statement for the year ended 31st March, 2018

Particulars	FV ₹	31st March, 2018 Quantity	31st March, 2018 ₹	31st March, 2017 Quantity	31st March, 2017 ₹
13. Current Investments					
Investment in Equity Shares - Quoted, fully paid up					
Avenue Supermarts Limited	10	0	0	10616	64,81,206
Bajaj Finserv Limited	5	0	0	3000	1,23,05,904
Bajaj Holding & Investment Limited	10	0	0	12000	2,28,88,841
Balkrishna Industries Limited	2	0	0	4000	57,57,453
Borosil Glass Works Ltd.	10	0	0	3400	2,27,31,843
Dewan Housing Finance Corporation Limited	10	0	0	77000	2,16,22,578
Dilip Buildcon Limited	10	0	0	25000	86,48,876
Piramal Enterprises Limited	2	0	0	15000	2,73,19,123
Maruti Suzuki India Limited	5	2700	1,60,46,910	0	0
Nitiraj Engineers Limited	10	157200	1,03,59,480	0	0
Whirlpool of India Limited	10	0	0	20000	2,22,37,235
(A)			**2,64,06,390**		**14,99,93,060**
Aggregate Value of Quoted Investments					
- At Cost			2,72,35,911		14,99,93,060
- At Market Value			3,42,84,450		16,18,95,077
14. Inventories					
Stock In Trade					
Quoted Equity Shares					
Aditya Birla Capital Limited	10	214000	3,12,33,300	0	0
Albert David Limited	10	20254	74,16,002	0	0
Bajaj Holding & Investment Limited	10	22607	6,02,36,352	0	0
Century Plyboards (India) Limited	1	37115	1,21,21,759	0	0
Century Textiles & Industries Limited	10	9159	1,04,65,073	0	0
Carborundum Universal Limited	1	0	0	20000	56,70,063
Equitas Holdings Limited	10	0	0	34000	55,41,754
Jamna Auto Industries Limited	5	0	0	28000	58,11,438
Voltas Limited	1	10000	61,27,500	0	0
Whirlpool of India Limited	10	500	7,48,802	0	0
			12,83,48,787		**1,70,23,255**
Aggregate Value of Stock-in-Trade					
- At Cost			13,26,81,144		1,70,23,255
- At Market Value			12,84,36,611		1,75,42,900

Notes Forming Part Of Standalone Financial Statement for the year ended 31st March, 2018

Particulars	31st March, 2018 ₹	31st March, 2017 ₹
15. Trade Receivables		
(Unsecured Considered good, except where provided for)		
Debts over six months	4,11,22,050	2,72,06,106
Other Debts	111,59,86,889	59,31,47,377
Total	**115,71,08,939**	**62,03,53,483**
16. Cash and Cash Equivalents		
Balances with banks		
On current accounts	7,61,24,974	3,88,67,458
On deposit account*	67,35,00,000	17,28,57,953
On Unclaimed dividend account	23,07,865	23,35,786
Cash on hand	4,21,519	99,118
Total	**75,23,54,357**	**21,41,60,314**
* Fixed deposits with bank include deposits of ₹34,38,00,000/- (previous year ₹1,95,00,000) with maturity of more than 12 months		
17. Short-Term Loans and Advances		
(Unsecured, considered good)		
Loan to related parties (Refer note 24)	9,23,16,209	8,00,19,726
Total	**9,23,16,209**	**8,00,19,726**
18. Other Current Assets		
Deposits with Exchanges / Depositories	1,00,14,920	3,71,00,000
Deposit with Related parties (Refer Note 24)	1,60,75,000	1,60,75,000
Other Deposits	35,37,037	32,92,303
Other Advances	1,66,99,533	1,74,68,532
Income tax & Tds Receivable (Net of Provision)	88,57,486	67,92,472
Total	**5,51,83,976**	**8,07,28,307**
19. Revenue From Operations		
Brokerage	57,41,67,332	42,69,33,814
Commission Received (Net)	1,35,26,949	1,37,18,271
Fees From Merchant Banking	7,31,53,146	11,30,28,500
Interest on Funding	19,42,94,591	12,28,03,230
Depository Receipts	1,38,88,116	1,49,00,632
Profit/(Loss) on Trading*	-2,24,27,504	4,98,12,931
Profit on Sale of Investments (net)	5,47,98,206	1,08,61,672
Dividend Income	1,11,68,335	19,21,816
Total	**91,25,69,172**	**75,39,80,867**

Notes Forming Part Of Standalone Financial Statement for the year ended 31st March, 2018

Particulars	31st March, 2018 ₹	31st March, 2017 ₹
*Trading details in cash segment		
Opening Stock	1,70,23,255	14,07,50,846
Purchase (including charges)	432,83,30,964	480,78,45,617
Sales	421,36,14,373	499,38,54,473
Closing Stock	12,83,48,787	1,70,23,255
20. Other Income		
Interest Received	2,89,96,514	1,32,33,498
Bad debts recovered	40,000	16,56,916
Miscellaneous income	10,93,557	5,43,977
Total	**3,01,30,070**	**1,54,34,391**
21. Employee Benefits Expenses (Includes Managerial Remuneration)		
Salaries, wages and bonus	11,81,32,577	10,51,07,940
Contribution to provident and other fund	12,01,346	4,36,937
Gratuity expense	13,53,688	16,39,405
Staff welfare expenses	20,93,593	15,94,709
(Refer Note No.26)		
Total	**12,27,81,204**	**10,87,78,991**
22. Finance Costs		
Interest expenses	6,68,53,069	2,53,72,703
Total	**6,68,53,069**	**2,53,72,703**
23. Other Expenses		
Advertisement	22,29,978	5,36,535
Auditors' Remuneration		
Audit fee	4,50,000	4,50,000
Taxation matters	0	2,65,000
Limited review	60,000	60,000
Other services	0	90,000
Bad Debts Written Off	33,899	2,21,698
Bank Charges	70,74,888	43,40,615
Business Development	62,09,402	26,12,498
Clearing Charges	20,10,392	4,35,956
Corporate Social Responsibility	12,50,000	15,72,000
Communication including V-Sat	95,23,421	85,95,677
Depository Charges	19,84,422	67,15,866
Electricity	48,64,676	47,94,977
Exchange Transaction Charges	4,40,70,927	3,55,62,177
Insurance	3,37,546	3,49,830
Legal and Professional	1,01,72,935	91,64,399
Loss on Sale of Fixed Assets	0	1,12,081
Membership Fee & Subscription	29,31,581	39,73,638
Merchant Banking Expenses	5,40,19,915	8,89,45,215
Miscellaneous	31,95,511	32,56,685
Office Expenses	14,85,921	13,44,241
Rent	1,09,13,397	98,21,692
Repairs & Maintenance	66,59,439	52,77,959
Software Maintenance	1,10,68,771	94,22,098
Stationery & Printing	17,95,323	11,23,964
Sub Brokerage/Referral Fees	26,91,36,483	19,99,03,318
Travelling, Conveyance and Motor Car	54,52,092	40,28,228
Total	**45,69,30,918**	**40,29,76,347**

Notes Forming Part Of Standalone Financial Statement for the year ended 31st March, 2018

24. 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, 2018 are given below:"

Relationships (During the year)	
Key Management Personnel	Mr. Ashok Kumar Jain, Chairman & Managing Director Mrs. Anita S Gandhi, Whole Time Director Mr. Sunil Kumar Jain, Director Mr. Akhilesh Rathi, Director Mr. Parag R. Shah, Director Mr. Pavan Kumar Ved, Director Mr. Ashish Maheshwari, Director (from 27.05.2017) Mr. Shailesh Kumath, Director (till 14.06.2017)
Subsidiaries	Arihant Futures & Commodities Limited Arihant Financial Services Limited Arihant Lifespace Infra Developers Limited Arihant Insurance Broking Services Limited Arihant Financial Planners & Advisors Private Limited Ahinsa Lifespace Infraheight Limited Arihant Housing Finance Corporation Limited Arihant Capital (IFSC) Limited
Relatives of Key Management Personnel	Arpit Jain Ashok Kumar Jain HUF Kiran Jain Shruti Jain S. N. Gandhi & Co.
Enterprises over which Control	M/s. Shyam Developers

Notes Forming Part Of Standalone Financial Statement for the year ended 31st March, 2018

Particulars	Key Management Personnel	Relatives of Key Management Personnel	Subsidiaries	Enterprise over which control	Total
Depository Charges Received					
Arihant Financial Services Limited	0	0	0	0	0
	0	*0*	*1724*	*0*	*1724*
Arihant Lifespace Infra Developers Limited	0	0	0	0	0
	0	*0*	*583*	*0*	*583*
Arihant Futures & Commodities Ltd	0	0	1568	0	1568
	0	*0*	*5443*	*0*	*5443*
Interest Received					
Arihant Financial Services Limited	0	0	0	0	0
	0	*0*	*220966*	*0*	*220966*
Arihant Lifespace Infra Developers Limited	0	0	4383210	0	4383210
	0	*0*	*21918*	*0*	*21918*
Expenses Recovered					
Arihant Futures & Commodities Ltd	0	0	522513	0	522513
	0	*0*	*493904*	*0*	*493904*
Expenses					
Salary & Incentive *	20620829	2361290	0	0	22982119
	22569052	*800000*	*0*	*0*	*23369052*
Rent #	1440000	4290000	0	252000	5982000
	600000	*3450000*	*0*	*252210*	*4302210*
Sitting Fees %	360000	0	0	0	360000
	300000	*0*	*0*	*0*	*300000*
Legal & Professional **	0	300000	0	0	300000
	0	*0*	*0*	*0*	*0*
Interest Paid					
Arihant Financial Services Limited	0	0	3546643	0	3546643
	0	*0*	*772876*	*0*	*772876*
Commission Paid					
Arihant Financial Planners & Advisors Pvt. Ltd	0	0	222646	0	222646
	0	*0*	*64165*	*0*	*64165*
Assets					
Rent Deposits ^	350000	2725000	0	13000000	16075000
	350000	*2725000*	*0*	*13000000*	*16075000*
Share Purchased$	0	0	0	0	0
	609750	*609750*	*0*	*0*	*1219500*
Loans Given					
Arihant Financial Services Limited (Maximum Outstanding)	0	0	0	0	0
	0	*0*	*76198036*	*0*	*76198036*
Arihant Lifespace Infra Developers Limited (Maximum Outstanding)	0	0	100000000	0	100000000
	0	*0*	*80019726*	*0*	*80019726*

Notes Forming Part Of Standalone Financial Statement for the year ended 31st March, 2018

Particulars	Key Management Personnel	Relatives of Key Management Personnel	Subsidiaries	Enterprise over which control	Total
Outstanding at year end					
Advance for Expenses					
Arihant Capital (IFSC) Limited	0	0	534420	0	534420
	0	*0*	*334420*	*0*	*334420*
Loans Given					
Arihant Lifespace Infra Developers Limited	0	0	92316209	0	92316209
	0	*0*	*80019726*	*0*	*80019726*
Liabilities					
Loans Taken					
Arihant Financial Services Limited					
(Maximum Outstanding)	0	0	127839490	0	127839490
	0	*0*	*92796314*	*0*	*92796314*
Corporate Guarantee Given					
Arihant Futures & Commodities Ltd	0	0	400000000	0	400000000
	0	*0*	*400000000*	*0*	*400000000*
Equity Contribution made during the year					
Arihant Capital (IFSC) Limited	0	0	0	0	0
	0	*0*	*11000000*	*0*	*11000000*

Figure in italics represents previous year figures

*Payment to key management personnel for Salaries and Incentive includes to Ashok Kumar Jain ₹ 17384029 (Previous Year ₹19377052 and Anita Gandhi ₹ 3236800 (Previous Year ₹3192000) and to relatives of key management personal includes Shruti Jain ₹2361290 (Previous Year ₹800000).

Rent paid to Ashok Kumar Jain₹1440000 (Previous Year ₹600000), Kiran Jain ₹3465000 (Previous Year ₹2625000), Ashok Kumar Jain HUF ₹412500 (Previous Year ₹412500), Arpit Jain ₹412500 (Previous Year ₹412500) and Shyam Developers ₹252000 (Previous Year ₹252210).

% Sitting fees paid to Sunil Kumar Jain ₹80000 (Previous Year ₹80000), Shailesh Kumath ₹20000 (Previous Year ₹40000), Paragbhai Shah ₹40000 (Previous Year ₹80000), Pavan Ved ₹80000 (Previous Year ₹40000), Ashish Maheshwari ₹60000 (Previous Year ₹Nil) and Akhilesh Rathi ₹ 80000 (Previous Year ₹20000).

^ Rent Deposit given includes Ashok Kumar Jain ₹350000 (Previous Year ₹350000), Kiran Jain ₹2037500 (Previous Year ₹2037500), Ashok Kumar Jain HUF ₹ 343750 (Previous Year ₹343750), Arpit Jain ₹343750 (Previous Year ₹343750) and Shyam Developers ₹13000000 (Previous Year ₹13000000).

$ Share of Arihant Financial Planners & Advisors Private Ltd. purchased from Ashok Kumar Jain ₹Nil (Previous Year ₹609750) & Kiran Jain ₹Nil (Previous Year ₹609750)

** S.N. Gandhi & Co ₹300000 (Previous Year ₹Nil)

25. Earning per Share

Particulars	2017-2018	2016-2017
i) Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹)	20,03,25,083	14,91,03,230
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 (₹)	9.62	7.16
iv) Face value per Equity Share (₹)	5	5

Notes Forming Part Of Standalone Financial Statement for the year ended 31st March, 2018

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

Defined Contribution Plans	2017-2018	2016-2017
Employer's Contribution to Provident Fund	6,83,488	3,12,120
Employer's Contribution to ESIC	4,64,460	97,602

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 have any policy for leave encashment.

Actuarial Assumptions	2017-2018	2016-2017
Mortality Table (LIC)	2006-08 (Ultimate)	2006-08 (Ultimate)
Discount rate (per annum)	6.93%	6.77%
Rate of escalation in salary (per annum)	5%	5%

27. Income in foreign currency ₹Nil (previous year ₹Nil). Expenditure in foreign currency ₹Nil (previous year ₹Nil).

28. Contingent Liability & Capital Commitments

(i) Bank Guarantees of ₹10000000 (Previous Year ₹13500000) extended to ICCL Bombay Stock Exchange Limited under the mandatory rules for membership and ₹ 63500000(Previous Year ₹50000000) towards additional margin.

(ii) Bank Guarantees of ₹ 7500000(Previous Year ₹7500000) extended to National Securities Clearing Corporation Limited under the mandatory rules for membership and ₹ 99800000(Previous Year ₹210500000) towards additional margin.

(iii) Bank Guarantees of ₹1500000 (Previous Year ₹1500000) extended to Metropolitan Stock Exchange India Limited under the mandatory rules for membership .

(iv) Bank Guarantees of ₹380100000 (Previous Year ₹379500000) extended to Axis Bank Ltd (Clearning Member of Company in NSE FNO segment) towards margin requirement.

(v) Corporate guarantee of ₹400000000 (Previous Year ₹400000000) given to banks on behalf of subsidiary M/s Arihant Futures and Commodities Limited.

(vi) Claims against the Company not acknowledged as debts ₹Nil (Previous Year ₹Nil).

(vii) Income Tax Demand for various years ₹32,79,854 (₹32,79,854)

29. Fixed Deposits

Fixed deposits with scheduled banks include ₹158400000 (Previous Year ₹3732953) which is under the lien of National Securities Clearing Corporation Limited, ₹258300000 (Previous Year ₹800000) which is under the lien of Axis Bank Ltd for NSEFNO segment, ₹500000 (Previous Year ₹500000) which is under the lien of Axis Bank Ltd for MSEIL currency derivative segment.

30. Disclosures under The Micro, Small, & Medium 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.

31. Securities are normally held by the Company in its own name except securities pledged with exchange.

Notes Forming Part Of Standalone Financial Statement for the year ended 31st March, 2018

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

33. 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.

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.

35. Corporate Social Responsibility

The company has formed a CSR committtee responsible to spend the required amount on CSR activities recognized by them and to monitor whether the same have been utilised for the intended purpose.

a) Gross amount required to be spent by the company during the year **(₹)2793061**

b) Amount spent during the year on:

Particulars		Cash (₹)	Yet to be paid in cash (₹)	Total (₹)
(i)	Construction/Acquisition of any asset	0	0	0
(ii)	On purpose other than (i) above	1250000	0	1250000

36. Events occuring after Balance sheet date

The Board of Directors has recommended Equity dividend of ₹ 0.75 per share for the financial year 2017-18.

37. The Financial Statements were authorised for issue by the directors on 28th May, 2018.

38. 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 Dinesh Ajmera & Associates
Chartered Accountants
Firm Reg No:011970C

CA. Dinesh Ajmera
Partner
Membership No. : 402629
Indore, 28th May, 2018

For and on behalf of the Board

Ashok Kumar Jain
(Chairman & Managing Director)
DIN-00184729

Anita S Gandhi
(Whole Time Director)
DIN-02864338

Mahesh Pancholi
(Company Secretary)

Tarun Goyal
(CFO)

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 ("the Holding Company"), and its subsidiaries (collectively referred to as "the Company" or "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2018, 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.

Management's Responsibility for the Consolidated Financial Statements

The Holding 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 consolidated financial statements that give a true and fair view of the financial position, financial performance and 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. This responsibility also includes 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; selection and application of the appropriate accounting policies; making judgments 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 consolidated 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.

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 consolidated financial statements are free from material misstatements. 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 auditor's 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 auditor considers internal financial control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's 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, 2018, and its consolidated profit and its consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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 the aforesaid consolidated financial statements.
   (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 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 books of account maintained for the purpose of preparation of consolidated financial statements.

(d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the holding company as on 31st March, 2018 taken on record by the Board of Directors of the holding company and the report of the subsidiary companies, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial control over financial reporting of the company and the operating effectiveness of such control, refer to our separate report in Annexure "A"; and

(g) 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 29 to the Consolidated 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 Holding Company and subsidiary companies..

For Dinesh Ajmera & Associates
Chartered Accountants
Firm Reg. No:011970C

CA Dinesh Ajmera
Partner
Membership No. : 402629
Indore, May 28, 2018

ANNEXURE "A" AS REFERRED TO IN PARAGRAPH 2(f) UNDER THE HEADING OF "REPORT ON LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF ARIHANT CAPITAL MARKETS LIMITED ON THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended 31st March 2018, we have audited the internal financial controls over financial reporting of Arihant Capital Markets Limited ("the Holding Company") and its subsidiary companies, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company;
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial

control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Dinesh Ajmera & Associates
Chartered Accountants
Firm Reg. No:011970C

CA Dinesh Ajmera
Partner
Membership No. : 402629
Indore, May 28, 2018

Consolidated Balance Sheet as at 31st March, 2018

Particulars	Note No.	31st March, 2018 ₹	31st March, 2017 ₹
EQUITY & LIABILITIES			
Shareholders' fund			
Share Capital	2	10,41,12,800	10,41,12,800
Reserves and Surplus	3	108,48,22,275	89,69,35,432
		118,89,35,075	**100,10,48,232**
Non-Current Liabilities			
Long Term Provisions	4	78,14,975	82,64,855
Deferred Tax Liabilities (net)	5	50,96,457	33,74,444
		1,29,11,432	**1,16,39,299**
Current Liabilities			
Short-Term Borrowings	6	95,08,46,409	8,46,44,086
Trade Payables	7	66,88,66,940	67,21,33,101
Other Current Liabilities	8	26,40,64,324	22,73,71,319
Short-Term Provisions	9	35,58,227	27,24,758
		188,73,35,899	**98,68,73,264**
TOTAL		**308,91,82,406**	**199,95,60,794**
ASSETS			
Non-Current Assets			
Fixed Assets	10		
Tangible Assets		20,28,22,926	19,13,23,247
Intangible Assets		70,51,105	22,57,308
Non-Current Investments	11	14,10,000	14,10,000
Other Non-Current Assets	12	2,05,05,000	2,03,05,000
		23,17,89,031	**21,52,95,555**
Current Assets			
Current Investments	13	2,64,06,390	14,99,93,060
Inventories	14	46,61,14,858	33,33,12,306
Trade Receivables	15	122,10,80,126	66,88,11,085
Cash and Cash Equivalents	16	106,21,68,572	52,19,04,166
Other Current Assets	17	8,16,23,430	11,02,44,622
		285,73,93,375	**178,42,65,240**
TOTAL		**308,91,82,406**	**199,95,60,794**

Significant Accounting Policies and Notes on Financial Statements 1 to 37

As per our report of even date
For Dinesh Ajmera & Associates
Chartered Accountants
Firm Reg No:011970C

CA. Dinesh Ajmera
Partner
Membership No. : 402629
Indore, 28th May, 2018

For and on behalf of the Board

Ashok Kumar Jain
(Chairman & Managing Director)
DIN-00184729

Anita S Gandhi
(Whole Time Director)
DIN-02864338

Mahesh Pancholi
(Company Secretary)

Tarun Goyal
(CFO)

Consolidated Statement of Profit and Loss for the year ended 31st March, 2018

Particulars		Note No.	31st March, 2018 ₹	31st March, 2017 ₹
Income				
I	Revenue from Operations	18	97,10,35,327	82,96,41,415
II	Other income	19	5,34,06,034	3,98,20,374
III	**Total Revenue (I+II)**		**102,44,41,361**	**86,94,61,789**
IV	**Expenses**			
	Cost of Sale	20	1,07,62,126	53,96,332
	Employee benefits expenses	21	13,97,87,761	12,41,29,738
	Finance costs	22	7,18,51,102	3,38,21,654
	Other expenses	23	49,41,22,678	44,72,23,676
	Net depreciation and amortization expenses	10	99,14,955	83,59,533
	Total (IV)		**72,64,38,622**	**61,89,30,933**
V	**Profit Before Exceptional and Extraordinary Items and Tax (III-IV)**		**29,80,02,739**	**25,05,30,856**
VI	Exceptional items		0	0
VII	**Profit Before Extraordinary Items and Tax (V-VI)**		**29,80,02,739**	**25,05,30,856**
VIII	Extraordinary Items		0	0
IX	**Profit Before Tax (VII-VIII)**		**29,80,02,739**	**25,05,30,856**
X	Tax expenses			
	Current tax		8,95,97,724	8,30,76,783
	Deferred tax		17,22,014	6,02,949
	Total tax expenses		**9,13,19,738**	**8,36,79,732**
XI	**Profit/(loss) for the year**		**20,66,83,001**	**16,68,51,124**
XII	Earnings per Share			
	Equity Shares of ₹5 each	26		
	Basic		9.93	8.01
	Diluted		9.93	8.01

Significant Accounting Policies and Notes on Financial Statements 1 to 37

As per our report of even date
For Dinesh Ajmera & Associates
Chartered Accountants
Firm Reg No:011970C

CA. Dinesh Ajmera
Partner
Membership No. : 402629
Indore, 28th May, 2018

For and on behalf of the Board

Ashok Kumar Jain
(Chairman & Managing Director)
DIN-00184729

Anita S Gandhi
(Whole Time Director)
DIN-02864338

Mahesh Pancholi
(Company Secretary)

Tarun Goyal
(CFO)

Consolidated Cash Flow Statement for the year ended 31st March, 2018

Particulars	Note No.	31st March, 2018 ₹	31st March, 2017 ₹
Cash flow from operating Activities			
Net profit before taxation		29,80,02,739	25,05,30,856
Add adjustments for :			
(Profit) / Loss on sale of fixed assets		0	1,12,081
(Profit) / Loss on sale of Investments		-5,47,98,206	-1,08,61,672
Provision on Standard Assets		37,923	-2,69,668
Provision for Gratuity		8,49,819	14,89,159
Provision for Loss on Option Contract		0	-23,82,765
Preliminary Expenses		1,200	3,34,420
Depreciation / amortisation		1,01,31,345	85,75,923
Dividend Income		-40,68,335	-19,21,816
Operating profit before working capital changes		**25,01,56,485**	**24,56,06,518**
Adjustments for changes in working capital :			
- Trade and other receivables		-52,36,47,849	-39,30,36,124
- Inventories		-13,28,02,551	2,19,87,054
- Trade and other payables		3,34,26,844	34,59,98,301
Cash generated from operation		-37,28,67,071	22,05,55,748
- Taxes paid (net)		-9,01,01,877	-8,25,09,753
Net cash from Operating Activity (A)		**-46,29,68,949**	**13,80,45,996**
Cash flow from Investing Activities			
(Purchase) / Sales of fixed assets		-2,64,24,822	-2,12,02,210
(Purchase) / Sales of Investments		17,83,84,877	-13,95,13,282
Capital Advance		-2,00,000	0
Dividend received		40,68,335	19,21,816
Net Cash Used In Investing Activity (B)		**15,58,28,390**	**-15,87,93,676**
Cash flow from Financing Activities			
Dividend Paid		-1,56,16,920	0
Preliminary Expenses		-1,200	-3,34,420
Proceeds from secured loans		86,62,02,322	8,46,44,086
Dividend distribution tax paid		-31,79,238	0
Net cash used in Financing Activities(C)		**84,74,04,964**	**8,43,09,666**
Net increase in cash and cash equivalents (A+B+C)		54,02,64,405	6,35,61,986
Cash and cash equivalents at the beginning of the year		52,19,04,166	45,83,42,181
Cash and cash equivalents at the end of the year		**106,21,68,572**	**52,19,04,166**
Cash and cash equivalents comprise of			
Cash and cheques in hand		6,92,375	4,19,704
Balances with scheduled banks		106,14,76,197	52,14,84,462
Total		**106,21,68,572**	**52,19,04,166**

Significant Accounting Policies and Notes on Financial Statements 1 to 37

For and on behalf of the Board

As per our report of even date
For Dinesh Ajmera & Associates
Chartered Accountants
Firm Reg No:011970C

CA. Dinesh Ajmera
Partner
Membership No. : 402629
Indore, 28th May, 2018

Ashok Kumar Jain
(Chairman & Managing Director)
DIN-00184729

Anita S Gandhi
(Whole Time Director)
DIN-02864338

Mahesh Pancholi
(Company Secretary)

Tarun Goyal
(CFO)

Notes Forming Part of Consolidated Financial Statements for the year ended 31st March, 2018

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 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.

Notes Forming Part of Consolidated Financial Statements for the year ended 31st March, 2018

I. RETIREMENT BENEFITS

i. Gratuity liability is a defined benefit obligation and is wholly unfunded. The Group accounts for liability for future gratuity benefits based on actuarial valuation.

ii. 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.

L. TAXES ON INCOME

a) Current corporate tax is provided on the results for the year after considering applicable tax rates and laws.

Notes Forming Part of Consolidated Financial Statements for the year ended 31st March, 2018

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 for the year ended 31st March, 2018

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, 2018

Particulars	31st March, 2018 ₹	31st March, 2017 ₹
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**
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 (7.72%)	16,06,656 (7.72%)
Arpit Jain	11,47,840 (5.51%)	11,47,840 (5.51%)
3. Reserve and Surplus		
General Reserve		
Balance as per the last financial statements	76,42,61,965	66,02,61,965
Add: Transfer from Profit & Loss	15,85,00,000	10,40,00,000
Closing Balance	**92,27,61,965**	**76,42,61,965**
Statutory Reserve		
Balance as per last Balance Sheet	85,72,000	74,47,000
Add : Transfer from Profit and Loss Account	10,26,000	11,25,000
Closing Balance	**95,98,000**	**85,72,000**
Capital Reserve on Consolidation		
Balance as per last Balance Sheet	35,14,559	34,05,129
Add : Change during the year		1,09,430
Closing Balance	**35,14,559**	**35,14,559**
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statements	12,05,86,908	5,88,60,784
Profit for the year	20,66,83,001	16,68,51,124
Less: Appropriations		
Equity Dividend (Dividend per share ₹0.75)	1,56,16,920	0
Dividend Distribution Tax	31,79,238	0
Transfer to General Reserve	15,85,00,000	10,40,00,000
Transfer to Statutory Reserve	10,26,000	11,25,000
Net surplus in the statement of Profit and Loss	**14,89,47,751**	**12,05,86,908**
Total	**108,48,22,275**	**89,69,35,432**

Notes on Consolidation Financial Statements for the year ended 31st March, 2018

Particulars	31st March, 2018 ₹	31st March, 2017 ₹
4. Long Term Provisions		
Provision for Employee Benefits	78,14,975	82,64,855
Total	**78,14,975**	**82,64,855**
5. Deferred Tax Liabilities/ (Assets)		
Deferred Tax Liabilities		
Related to Fixed Assets	97,05,719	76,39,553
Total (a)	**97,05,719**	**76,39,553**
Deferred Tax Assets		
Disallowance under the Income Tax Act, 1961	45,06,695	41,88,232
MAT Credit Entitlement	17,612	0
Unabsorbed Losses	84,955	76,877
Total (b)	**46,09,262**	**42,65,109**
Net Deferred Tax Liabilities /(Assets) [(a)-(b)]	**50,96,457**	**33,74,444**
6. Short Term Borrowings		
Secured		
From Bank*	91,43,46,408	8,46,44,086
Unsecured		
From Others	3,65,00,000	0
Total	**95,08,46,409**	**8,46,44,086**
* Bank Overdraft are secured against pledge of securities, trade receivables and property.		
7. Trade Payables		
Sundry Creditors (Includes Trade Payables)		
Other than Micro, Small and Medium Enterprises	66,88,66,940	67,21,33,101
Micro, Small and Medium Enterprises	0	0
(Refer Note 31)		
Total	**66,88,66,940**	**67,21,33,101**
8. Other Current Liabilities		
Other Payables	8,82,64,055	8,95,70,550
Advance Recieved against Sale of Plot	5,48,47,280	5,80,51,000
Advance for Maintenance Receipt	1,49,688	2,29,214
Liability for Exp to be incurred	21,28,351	11,93,937
Unpaid Dividend #	23,07,865	23,35,786
Deposits from Intermediateries & Others	11,63,67,085	7,59,90,831
Total	**26,40,64,324**	**22,73,71,319**
# Out of the above amount, the company is required to credit a sum of ₹3,05,301/- lying in the unpaid/unclaimed dividend account, on or before 31st October, 2018 to the Investor Education & Protection Fund pursuant to Sub -section (1) of Section 125 of The Companies Act, 2013.		

Notes on Consolidation Financial Statements for the year ended 31st March, 2018

Particulars	31st March, 2018 ₹	31st March, 2017 ₹
9. Short-Term Provisions		
Contingent Provisions against Standard Assets	2,29,334	1,91,410
Provision for Employee Benefits	31,76,052	18,76,353
Provision for tax (Net)	1,52,841	6,56,995
Total	**35,58,227**	**27,24,758**

10.Fixed Assets

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April 2017	Additions for the Year	Deductions Adjustment for the Year	As at 31st March, 2018	As at 1st April 2017	For the Year	On Deductions	As at 31st March, 2018	As at 31st March, 2018	As at 31st March, 2017
Tangible Assets										
Freehold Land	10,66,54,080	0	0	10,66,54,080	0	0	0	0	10,66,54,080	10,66,54,080
Premises	6,71,44,313	0	0	6,71,44,313	65,62,378	10,61,809	0	76,24,187	5,95,20,126	6,05,81,935
Furniture & Fixtures	2,44,70,682	19,09,747	7,51,943	2,56,28,486	1,67,13,888	13,28,452	7,51,243	1,72,91,097	83,37,389	77,56,794
Office Equipments	1,23,59,533	13,10,747	80,775	1,35,89,505	97,92,747	8,57,852	76,736	1,05,73,862	30,15,643	25,66,786
Computers	4,23,08,422	64,32,754	34,63,826	4,52,77,350	3,60,61,225	37,47,930	34,60,326	3,63,48,829	89,28,520	62,47,197
Electrical Installations	22,81,995	81,831	0	23,63,826	9,37,684	1,76,262	0	11,13,946	12,49,880	13,44,311
Motor Vehicles	1,31,88,968	1,27,60,760	38,70,979	2,20,78,749	70,16,824	23,96,420	24,51,783	69,61,461	1,51,17,288	61,72,144
Sub Total (A)	**26,84,07,993**	**2,24,95,839**	**81,67,523**	**28,27,36,309**	**7,70,84,746**	**95,68,725**	**67,40,088**	**7,99,13,382**	**20,28,22,926**	**19,13,23,247**
Intangible Assets										
Software	1,77,97,794	53,56,418	0	2,31,54,212	1,55,40,787	5,62,621	0	1,61,03,407	70,50,805	22,57,007
MCX Membership	3,51,000	0	0	3,51,000	3,50,900	0	0	3,50,900	100	100
NCDEX Membership	50,000	0	0	50,000	49,900	0	0	49,900	100	100
NSEL Membership	5,00,000	0	0	5,00,000	4,99,900	0	0	4,99,900	100	100
Sub Total (B)	**1,86,98,794**	**53,56,418**	**0**	**2,40,55,212**	**1,64,41,486**	**5,62,621**	**0**	**1,70,04,107**	**70,51,105**	**22,57,308**
Total (A+B)	**28,71,06,787**	**2,78,52,257**	**81,67,523**	**30,67,91,521**	**9,35,26,232**	**1,01,31,345**	**67,40,088**	**9,69,17,489**	**20,98,74,031**	**19,35,80,555**
Previous year figure	**26,65,20,102**	**2,13,23,936**	**7,37,251**	**28,71,06,787**	**8,54,53,752**	**85,75,923**	**5,03,444**	**9,35,26,232**	**19,35,80,555**	

Notes:

1. Out of the depreciation for the year ₹2,16,390 transferred to Land Development Cost in Arihant Lifespace Infra developers Ltd.

Notes on Consolidation Financial Statements for the year ended 31st March, 2018

Particulars	FV ₹	31st March, 2018 Quantity	31st March, 2018 ₹	31st March, 2017 Quantity	31st March, 2017 ₹
11. Non Current Investments					
Trade Investments					
In Equity Shares - Quoted, fully paid up					
BSE Limited	2	644	0	644	0
In Equity Shares - Unquoted, fully paid up					
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	5000	500	5,000
Quest Global Technologies Limited	10	90000	900000	90000	9,00,000
Quoted Mutual Fund					
Reliance Money Manager Fund - Growth Plan Growth Option					0
Total Other Investment (B)			**9,05,000**		**9,05,000**
Total Non Current Investments (A+B)			**14,10,000**		**14,10,000**
Aggregate Value of Quoted Investments					
- At Cost			0		0
- At Market Value			4,86,993		6,29,607
Aggregate Value of Unquoted Investments			14,10,000		14,10,000
12. Other Non Current Assets					
(Unsecured, considered good)					
Deposits with Exchanges / Depositories			2,03,05,000		2,03,05,000
Capital Advance			2,00,000		0
Total			**2,05,05,000**		**2,03,05,000**
13. Current Investments					
Investment in Equity Shares - Quoted, fully paid up					
Avenue Supermarts Limited	10	0	0	10616	64,81,206
Bajaj Finserv Limited	5	0	0	3000	1,23,05,904
Bajaj Holding & Investment Limited	10	0	0	12000	2,28,88,841
Balkrishna Industries Limited	2	0	0	4000	57,57,453
Borosil Glass Works Ltd.	10	0	0	3400	2,27,31,843
Dewan Housing Finance Corporation Limited	10	0	0	77000	2,16,22,578
Dilip Buildcon Limited	10	0	0	25000	86,48,876
Piramal Enterprises Limited	2	0	0	15000	2,73,19,123
Maruti Suzuki India Limited	5	2700	1,60,46,910	0	0
Nitiraj Engineers Limited	10	157200	1,03,59,480	0	0
Whirlpool of India Limited	10	0	0	20000	2,22,37,235
Total			**2,64,06,390**		**14,99,93,060**
Aggregate Value of Quoted Investments					
- At Cost			2,72,35,911		14,99,93,060
- At Market Value			3,42,84,450		16,18,95,077

Notes on Consolidation Financial Statements for the year ended 31st March, 2018

Particulars	FV ₹	31st March, 2018 Quantity	31st March, 2018 ₹	31st March, 2017 Quantity	31st March, 2017 ₹
14. Inventories					
A. Shares					
Quoted Equity Shares					
Aditya Birla Capital Limited	10	214000	3,12,33,300	0	0
Albert David Limited	10	20254	74,16,002	0	0
Bajaj Holding & Investment Limited	10	22607	6,02,36,352	0	0
Century Plyboards (India) Limited	1	37115	1,21,21,759	0	0
Century Textiles & Industries Limited	10	9159	1,04,65,073	0	0
Carborundum Universal Limited	1	0	0	20000	56,70,063
Equitas Holdings Limited	10	0	0	34000	55,41,754
Jamna Auto Industries Limited	5	0	0	28000	58,11,438
Voltas Limited	1	10000	61,27,500	0	0
Whirlpool of India Limited	10	500	7,48,802	0	0
			12,83,48,787		**1,70,23,255**
Aggregate Value of Stock-in-Trade					
- At Cost			13,26,81,144		1,70,23,255
- At Market Value			12,84,36,611		1,75,42,900
B.Land					
Land and Development Cost (WIP)			33,77,66,071		31,62,89,051
			33,77,66,071		**31,62,89,051**
Total (a+b)			**46,61,14,858**		**33,33,12,306**

Notes on Consolidation Financial Statements for the year ended 31st March, 2018

Particulars	31st March, 2018 ₹	31st March, 2017 ₹
15. Trade Receivables		
(Considered good, except where provided for)		
Debts over six months		
-Secured	6,76,500	0
-Unsecured	5,22,46,530	3,93,73,150
Other Debts		
-Secured	2,11,84,182	3,03,22,062
-Unsecured	114,69,72,914	59,91,15,872
Total	**122,10,80,126**	**66,88,11,085**
16. Cash and Cash Equivalents		
Balances with banks		
On current accounts	19,16,79,653	11,90,84,473
On deposit account*	86,74,88,680	38,90,64,204
Cheque In Hand	0	1,10,00,000
On Unclaimed dividend account	23,07,865	23,35,786
Cash on hand	6,92,375	4,19,704
Total	**106,21,68,572**	**52,19,04,166**
* Fixed deposits with bank include deposits of ₹39,67,75,000 (previous year ₹5,27,25,000) with maturity of more than 12 months		
17. Other Current Assets		
Deposits with Exchanges / Depositories	1,66,41,023	4,21,45,000
Deposit with Related parties (Refer Note 25)	1,68,87,500	1,68,87,500
Advance against Property	1,01,32,420	1,01,32,420
Other Deposits	35,77,037	33,32,303
Other Advances	2,23,38,715	2,90,09,517
Income tax & Tds Receivable (Net of Provision)	1,20,46,736	87,37,883
Total	**8,16,23,430**	**11,02,44,622**
18. Revenue From Operations		
Brokerage	61,21,01,521	46,81,74,853
Commission Received (Net)	1,49,56,218	1,40,17,019
Fees From Merchant Banking	7,31,53,146	11,30,28,500
Interest on Funding	19,42,94,591	12,27,95,480
Depository Receipts	1,38,88,116	1,49,00,632
Interest on Loans and Deposit	1,46,15,165	2,43,23,312
Sale of Plot	1,19,90,107	88,90,663
Maintenance Receipt	1,87,526	48,786
Profit/(Loss) on Share Trading*	-2,18,60,178	5,00,72,239
Profit/(Loss) on Commodity Trading	-14,20,614	0
Profit on Sale of Investments (net)	5,47,98,206	1,08,61,672
Dividend Income	40,68,335	19,21,816
Consultancy Charges	20,000	0
Other	2,43,188	6,06,443
Total	**97,10,35,327**	**82,96,41,415**
***Trading details in cash segment**		
Opening Stock	1,70,23,255	14,07,50,846
Purchase (including charges)	451,25,86,273	484,50,02,842
Sales	439,87,33,540	503,12,70,341
Closing Stock	12,83,48,787	1,70,23,255

Notes on Consolidation Financial Statements for the year ended 31st March, 2018

Particulars	31st March, 2018 ₹	31st March, 2017 ₹
19. Other Income		
Interest Received	5,20,31,294	3,68,38,595
Bad Debts Recovered	40,000	16,56,916
Reversal of provision on Standard Assets	0	2,69,668
Foreign Exchange Gain	33,305	0
Miscellaneous Income	13,01,435	10,55,195
Total	**5,34,06,034**	**3,98,20,374**
20. Cost of Sale		
Opening Stock	31,62,89,051	21,45,48,515
Add:-		
Transfer (to)/from Fixed Assets	0	0
Land Purchased during the year	0	2,13,79,901
Land development cost		
Cost of Material Purchased	5,18,573	1,13,32,581
Freight & Cartage	0	2,300
Operating & Project Expenses Incurred During the Year:-		
Architect Fees	1,00,000	7,00,000
Preliminaries & Site Expenses	13,86,499	25,32,268
Civil, Electrical, Contracting etc.	37,06,926	3,43,42,931
Electricity	4,62,702	3,08,043
Electrical Development & Supervision Charges	34,68,659	1,14,04,833
Payment to Local Agencies & Permission Charges	14,42,999	1,56,500
Finance Cost	2,09,36,397	2,46,59,382
Depreciation (Refer Note No 10)	2,16,390	2,16,390
Other Overheads	0	1,01,740
Total	**34,85,28,197**	**32,16,85,384**
Less : Closing Stock	**33,77,66,071**	**31,62,89,051**
Total	**1,07,62,126**	**53,96,332**
21. Employee Benefit Expenses (Includes Managerial Remuneration)		
Salaries, Wages and Bonus	13,49,33,735	12,03,71,312
Contribution to Provident and other Fund	12,01,346	4,36,937
Gratuity Expense	13,53,688	16,39,405
Staff Welfare Expenses	22,98,992	16,82,084
Total	**13,97,87,761**	**12,41,29,738**
22. Finance Cost		
Interest Expenses	7,18,51,102	3,38,21,654
	7,18,51,102	**3,38,21,654**
23. Other Expenses		
Advertisement	22,60,815	8,01,225
Auditors' Remuneration		
Audit fee	6,01,500	6,18,538
Taxation matters	27,500	4,58,725
Limited review	60,000	60,000
Other services	0	90,000
Bad Debts Written Off	33,899	2,21,698
Bank & Depository Charges	99,27,942	71,16,372
Business Development	62,20,512	26,27,311
Clearing Charges	20,10,392	4,35,956
Corporate Social Responsibility	12,50,000	15,72,000

Notes on Consolidation Financial Statements for the year ended 31st March, 2018

Particulars	31st March, 2018 ₹	31st March, 2017 ₹
Communication including V-Sat	1,03,16,412	93,06,809
Depository Charges	19,89,416	67,12,889
Electricity	53,33,485	52,35,437
Exchange Transaction Charges	5,91,08,452	5,36,38,407
Insurance	5,67,024	5,71,137
Legal and Professional	1,07,03,304	95,60,012
Loss on Sale of Assets	0	1,12,081
Membership Fee & Subscription	38,47,981	43,87,465
Merchant Banking Expenses	5,40,19,915	8,89,45,215
Miscellaneous Expenses	35,79,628	36,71,981
Office Expenses	17,62,526	17,05,899
Preliminary Expenses	1,200	3,34,420
Rent, Rates & Taxes	1,24,03,846	1,13,11,792
Repairs & Maintenance	66,93,739	53,38,051
Provision on Standard Assets	37,923	0
Software Maintenance	1,27,90,822	1,10,77,300
Stationery & Printing	18,21,101	12,07,399
Sub Brokerage/Referral Fees and Expenses	28,02,38,401	21,48,79,157
Travelling, Conveyance and Motor Car Expenses	65,14,943	52,26,400
	49,41,22,678	**44,72,23,676**

24 (a). Companies included in consolidation

Name of Subsidiaries	Country of Incorporation	Proportion of Interest	
		as on 31.03.18	as on 31.03.17
Arihant Financial Services Limited	India	100.00%	100.00%
Arihant Futures & Commodities Limited	India	100.00%	100.00%
Arihant Lifespace Infra Developers Limited	India	100.00%	100.00%
Arihant Insurance Broking Services Limited	India	100.00%	100.00%
Arihant Financial Planners and Advisors Private Limited*	India	100.00%	100.00%
Arihant Housing Finance Corporation Limited	India	100.00%	100.00%
Ahinsa Lifespace Infraheight Limited	India	100.00%	100.00%
Arihant Capital (IFSC) Limited	India	100.00%	100.00%

24 (b) Disclosures mandated by Schedule III of Companies Act 2013, by way of additional information

2017-2018				
Name of the Entities	Net Assets i.e. total assets minus total liabilities		Share in profit /(loss)	
	As a % of consolidated net assets	Amount ₹	As a % of consolidated Profit	Amount ₹
Parent				
Arihant Capital Markets Limited	71.16%	94,14,58,430	93.70%	20,03,25,083
Subsidary				
Indian				
Arihant Financial Services Limited	4.78%	6,31,92,805	2.40%	51,29,620
Arihant Futures & Commodities Limited	10.05%	13,29,62,212	3.14%	67,07,558
Arihant Lifespace Infra Developers Limited	8.73%	11,55,24,367	0.10%	2,11,155
Arihant Insurance Broking Services Limited	0.65%	86,45,979	0.06%	1,37,123
Arihant Financial Planners and Advisors Private Limited	0.29%	37,79,710	0.35%	7,51,605
Arihant Housing Finance Corporation Limited	2.13%	2,81,64,640	0.30%	6,35,050
Ahinsa Lifespace Infraheight Limited	1.41%	1,87,12,078	-0.01%	(31,448)
Arihant Capital (IFSC) Limited	0.80%	1,05,71,335	-0.04%	(82,745)
Sub Total	**100.00%**	**132,30,11,555**	**100.00%**	**21,37,83,001**
Less Intercompany Elimination and Consolidation Adjustments		(13,40,76,480)	-	(71,00,000)
Total		**118,89,35,075**		**20,66,83,001**
Minority Interest		-		-
Grand Total		**118,89,35,075**		**20,66,83,001**

Notes on Consolidation Financial Statements for the year ended 31st March, 2018

2016-2017				
Name of the Entities	Net Assets i.e. total assets minus total liabilities		Share in profit /(loss)	
	As a % of consolidated net assets	Amount ₹	As a % of consolidated Profit	Amount ₹
Parent				
Arihant Capital Markets Limited	66.82%	75,84,84,112	89.36%	14,91,03,230
Subsidary				
Indian				
Arihant Financial Services Limited	5.12%	5,80,63,184	3.37%	56,23,585
Arihant Futures & Commodities Limited	11.88%	13,48,00,047	5.28%	88,05,772
Arihant Lifespace Infra Developers Limited	10.16%	11,53,13,212	1.24%	20,66,386
Arihant Insurance Broking Services Limited	0.75%	85,08,856	0.07%	1,16,897
Arihant Financial Planners and Advisors Private Limited	0.27%	30,28,105	0.18%	3,03,773
Arihant Housing Finance Corporation Limited	2.43%	2,75,29,589	0.71%	11,85,910
Ahinsa Lifespace Infraheight Limited	1.65%	1,87,43,526	-0.01%	(8,509)
Arihant Capital (IFSC) Limited	0.94%	1,06,54,080	-0.21%	(3,45,920)
Sub Total	**100.00%**	**113,51,24,712**	**100.00%**	**16,68,51,124**
Less Intercompany Elimination and Consolidation Adjustments		(13,40,76,480)	-	-
Total		**100,10,48,232**		**16,68,51,124**
Minority Interest		-		-
Grand Total		**100,10,48,232**		**16,68,51,124**

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, 2018 are given below:"

Relationships (During the year)

Key Management Personnel	Mr. Ashok Kumar Jain, Chairman & Managing Director Mrs. Anita S Gandhi, Whole Time Director Mr. Sunil Kumar Jain, Director Mr. Akhilesh Rathi, Director Mr. Pavan Kumar Ved, Director Mr. Parag R. Shah, Director Mr. Ashish Maheshwari, Director (from 27.05.2017) Mr. Shailesh Kumath, Director (till 14.06.2017)
Relatives of Key Management Personnel	Arpit Jain Ashok Kumar Jain HUF Kiran Jain Mohini Doshi Shruti Jain Swati Jain S. N. Gandhi & Co.
Enterprises over which Control	M/s. Shyam Developers

Notes on Consolidation Financial Statements for the year ended 31st March, 2018

Particulars	Key Management Personnel	Relatives of Key Management Personnel	Total
Salary & Incentive *	20620829	5091249	25712078
	22569052	*2939935*	*25508987*
Rent #	1440000	5469711	6909711
	600000	*4695113*	*5295113*
Sitting Fees %	360000	0	360000
	300000	*0*	*300000*
Legal & Professional **	0	300000	300000
	0	*0*	*0*
Assets			
Rent Deposits ^	350000	16487500	16837500
	350000	*16537500*	*16887500*
Share Purchased$	0	0	0
	609750	*609750*	*1219500*

Figure in italics represents previous year figures

*Payment to key management personnel for Salaries includes payment to Ashok Kumar Jain ₹17384029 (Previous Year ₹19377052), Anita Gandhi ₹3236800 (Previous Year ₹3192000), and to relatives of key management personal includes Shruti Jain ₹2361290 (Previous Year ₹800000), Swati Jain ₹1225303 (Previous Year ₹795935), Kiran Jain ₹ 279000 (Previous Year ₹279000), Arpit Jain ₹1225656 (Previous Year ₹8150000) and Mohini Doshi ₹Nil (Previous Year ₹250000).

Rent paid to Ashok Kumar Jain ₹1440000 (Previous Year ₹600000), Kiran Jain ₹4055211 (Previous Year ₹3250403), Ashok Kumar Jain HUF ₹581244 (Previous Year ₹596244), Arpit Jain ₹581256 (Previous Year ₹596256) and Shyam Developers ₹252000 (Previous Year ₹252210).

% Sitting fees paid to Sunil Kumar Jain ₹80000 (Previous Year ₹80000), Shailesh Kumath ₹20000 (Previous Year ₹40000), Paragbhai Shah ₹40000 (Previous Year ₹80000), Pavan Ved ₹80000 (Previous Year ₹40000), Ashish Maheshwari ₹60000 (Previous Year ₹Nil) and Akhilesh Rathi ₹ 80000 (Previous Year ₹20000).

^ Deposit given includes Ashok Kumar Jain ₹350000 (Previous Year ₹350000), Kiran Jain ₹2518750 (Previous Year ₹2543750), Ashok Kumar Jain HUF ₹484375 (Previous Year ₹496875), Arpit Jain ₹484375 (Previous Year ₹496875) and Shyam Developers ₹13000000 (Previous Year ₹13000000).

$ Share of Arihant Financial Planners & Advisors Private Ltd. purchased from Ashok Kumar Jain ₹Nil (Previous Year ₹609750) & Kiran Jain ₹Nil (Previous Year ₹609750)

** S. N. Gandhi & Co. ₹300000 (Previous Year ₹Nil)

26. Earning per Share

Particulars	2017-2018	2016-2017
i) Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹)	20,66,83,001	16,68,51,124
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 (₹)	9.93	8.01
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:

Defined Contribution Plans	2017-2018	2016-2017
Employer's Contribution to Provident Fund	7,92,619	4,12,386
Employer's Contribution to ESIC	5,45,100	1,64,867

Notes on Consolidation Financial Statements for the year ended 31st March, 2018

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	2017-2018	2016-2017
Mortality Table (LIC)	2006-08 (Ultimate)	2006-08 (Ultimate)
Discount rate (per annum)	6.93%	6.77%
Rate of escalation in salary (per annum)	5%	5%

28. Income in foreign currency ₹Nil (previous year ₹Nil). Expenditure in foreign currency ₹Nil (previous year ₹Nil).

29. Contingent Liability & Capital Commitments

(i) Bank Guarantees of ₹10000000 (Previous Year ₹13500000) extended to ICCL Bombay Stock Exchange Limited under the mandatory rules for membership and ₹ 63500000(Previous Year ₹50000000) towards additional margin.

(ii) Bank Guarantees of ₹ 7500000(Previous Year ₹7500000) extended to National Securities Clearing Corporation Limited under the mandatory rules for membership and ₹ 99800000(Previous Year ₹210500000) towards additional margin.

(iii) Bank Guarantees of ₹1500000 (Previous Year ₹1500000) extended to Metropolitan Stock Exchange India Limited under the mandatory rules for membership .

(iv) Bank Guarantees of ₹380100000 (Previous Year ₹379500000) extended to Axis Bank Ltd (Clearning Member of Company in NSE FNO segment) towards margin requirement.

(v) Bank Guarantees of ₹265550000/- (Previous Year ₹201250000/-) extended to National Commodity Clearing Corporation Limited under the mandatory rules for membership and towards additional margin..

(vi) Bank Guarantees of ₹87250000 (Previous Year ₹ 1097500000) extended to Multi Commodity Exchange of India Ltd under the mandatory rules for membership and towards additional margin.

(v) Corporate guarantee of ₹400000000 (Previous Year ₹400000000) given to banks on behalf of subsidiary M/s Arihant Futures and Commodities Limited.

(viii) Income Tax Demand for various years ₹4594583 (₹4594583)

(ix) Claims against the Company not acknowledged as debts ₹Nil (Previous Year ₹Nil).

30. Fixed Deposits

Fixed deposits with scheduled banks include ₹158400000 (Previous Year ₹3732953) which is under the lien of National Securities Clearing Corporation Limited,₹258300000 (Previous Year ₹800000) which is under the lien of Axis Bank Ltd for NSEFNO segment, ₹500000 (Previous Year ₹500000) which is under the lien of Axis Bank Ltd for MSEIL currency derivative segment, ₹5000000 (Previous Year ₹30000000) which is under the lien of National Commodity Clearing Corporation Limited and ₹9900000 (Previous Year ₹Nil) which is under the lien of Multi Commodity Exchange of India Ltd.

31. Disclosures under The Micro, Small, & Medium 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 on Consolidation Financial Statements for the year ended 31st March, 2018

32. Securities are normally held by the Group in its own name except securities pledged with exchange.

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

34. 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.

35. Events occurring after Balance sheet date

The Board of Directors has recommended Equity dividend of ₹ 0.75 per share for the financial year 2017-18.

36. The Financial Statements were authorised for issue by the directors on 28th May, 2018.

37. 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 Dinesh Ajmera & Associates
Chartered Accountants
Firm Reg No:011970C

CA. Dinesh Ajmera
Partner
Membership No. : 402629
Indore, 28th May, 2018

For and on behalf of the Board

Ashok Kumar Jain (Chairman & Managing Director) DIN-00184729	**Anita S Gandhi** (Whole Time Director) DIN-02864338	**Mahesh Pancholi** (Company Secretary)	**Tarun Goyal** (CFO)

Arihant Capital Markets Ltd.

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 : _____

Email 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: _____
   _____ Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Sixth Annual General Meeting of the company to be held on **Tuesday, 25th September, 2018 at 12.30 p.m. at Lemon Tree Hotel, 3, RNT Marg, 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 Financial Statement of the Company (including Audited Consolidated Financial Statements) for the financial year ended March 31th, 2018, and the Reports of the Board of Directors and Auditors Report thereon.
2	Declaration of dividend for the financial Year 2017-2018.
3	Re-appointement of Mr. Pavan Kumar Ved (DIN : 02864338), Director retiring by rotation.
4	Rectification of Appointment of Auditors and fixing their remuneration.

Special Business

Resolution No.	Resolutions
5	Re-appointmen of Mrs. Anita S. Gandhi as a Whole Time Directors of the Company.
6	Re-appointment of Mr. Ashok Kumar Jain as a Managing Director of the Company.

Affix Revenue Stamp

Signed this ..... day of 2018

Signature of shareholder _____ Signature of Proxyholder(s) _____

Note : 1. 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.
2. Those Members who have multiple folios with different jointholders may use copies of this Attendance slip/proxy.

Arihant Capital Markets Ltd.

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

ATTENDANCE SLIP

(To be presented at the entrance)
26th Annual General Meeting on 25th September, 2018 at 12.30 P.M.
at Lemon Tree Hotel, 3, RNT Marg, Indore (M.P.) - 452001

Folio No. _____ DP ID No. _____

Client ID No. _____ No. of Shares _____

Name of the Member: _____ Address: _____

Name of the Proxyholder: _____ Address: _____

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.

_____

Signature of Member/Proxy

YEAR 2018 HIGHLIGHTS

AWARDS

Awarded by NCDEX

Awarded by Chief Minister,MP

Awarded by DSP BlackRock

Awarded by NSDL

ANNUAL ROUND UP

25th Year Celebration

25th Year Celebration

25th Year Celebration

Investor Awareness Programme

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