



**DINESH AJMERA & ASSOCIATES
CHARTERED ACCOUNTANTS**

901, Scheme No 114, Part -1

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INDEPENDENT AUDITORS' REPORT

To
The Members,
Arihant Capital Markets Limited

Report On the Consolidated Financial Statements

Opinion

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, 2019, 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.

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, 2019, and its consolidated profit and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters

We have determined that there is no key audit matter to communicate in our report

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,

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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.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the group are responsible for overseeing the financial reporting process of the group.

Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is included in "Annexure" A of this auditor's report.

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 consolidated financial statements comply with the accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the holding company as on 31st March, 2019 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, 2019 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 30 to the Consolidated Financial Statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- 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 21, 2019

Ajmera



ANNEXURE “A” REFERRED TO IN PARAGRAPH UNDER THE HEADING OF “AUDITOR’S RESPONSIBILITY” OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF ARIHANT CAPITAL MARKETS LIMITED ON THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2019

As part of audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

CA Dinesh Ajmera
Partner
Membership No. : 402629
Indore, May 21, 2019

Ajmera



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 CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2019

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 31 March 2019, we have audited the internal financial controls over financial reporting of Arihant Capital Market 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, 2019, 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 21, 2019

Arihant Capital Markets Limited
Consolidated Balance Sheet as at 31st March,2019

Particulars	Note No.	31st March 2019 ₹	31st March 2018 ₹
EQUITY & LIABILITIES			
Shareholders' fund			
Share Capital	2	10,41,12,800	10,41,12,800
Reserves and Surplus	3	125,61,96,991	108,48,22,275
		136,03,09,791	118,89,35,075
Non-Current Liabilities			
Long Term Provisions	4	83,32,142	78,14,975
Deferred Tax Liabilities (net)	5	43,56,436	50,96,458
		1,26,88,578	1,29,11,433
Current Liabilities			
Short-Term Borrowings	6	109,16,43,766	95,08,46,409
Trade Payables	7	60,94,07,774	66,88,66,940
Other Current Liabilities	8	29,86,35,503	26,40,64,324
Short-Term Provisions	9	64,27,239	35,63,530
		200,61,14,283	188,73,41,202
TOTAL		337,91,12,652	308,91,87,710
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	10	20,36,65,489	20,28,22,926
Intangible Assets	10	69,10,314	70,51,105
Non-Current Investments	11	6,63,54,560	14,10,000
Other Non-Current Assets	12	2,30,34,283	2,21,31,103
		29,99,64,645	23,34,15,134
Current Assets			
Current Investments	13	0	2,64,06,390
Inventories	14	34,43,49,725	46,61,14,858
Trade Receivables	15	127,61,85,200	116,93,44,075
Cash and Cash Equivalents	16	117,98,77,731	106,21,68,572
Short-Term Loans and Advances	17	15,68,92,689	5,17,36,051
Other Current Assets	18	12,18,42,662	8,00,02,630
		307,91,48,007	285,57,72,575
TOTAL		337,91,12,652	308,91,87,709

Significant Accounting Policies and Notes on Financial Statements 1 to 38

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, 21st May, 2019

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

Anita S Gandhi
(Whole Time
Director)
DIN-02864338

Mahesh Pancholi
(Company Secretary)

Tarun Goyal
(CFO)

A. Ajmera



Arihant Capital Markets Limited

Consolidated Statement of Profit and Loss for the year ended 31st March,2019

Particulars	Note No.	31st March 2019 ₹	31st March 2018 ₹
Income			
I Revenue from Operations	19	94,83,43,493	97,10,35,327
II Other income	20	8,23,74,427	5,34,06,034
III Total Revenue (I+II)		103,07,17,920	102,44,41,361
IV Expenses			
Cost of Sale	21	9,56,47,661	1,07,62,126
Employee benefits expenses	22	15,07,85,253	13,97,87,761
Finance costs	23	9,94,52,794	7,18,51,102
Other expenses	24	40,76,29,248	49,41,22,678
Net depreciation and amortization expenses	10	1,19,80,960	99,14,955
Total (IV)		76,54,95,917	72,64,38,622
V Profit Before Exceptional and Extraordinary Items and Tax (III-IV)		26,52,22,003	29,80,02,739
VI Exceptional items		0	0
VII Profit Before Extraordinary Items and Tax (V-VI)		26,52,22,003	29,80,02,739
VIII Extraordinary Items		0	0
IX Profit Before Tax (VII-VIII)		26,52,22,003	29,80,02,739
X Tax expenses			
Current tax		7,57,60,279	8,95,97,724
Deferred tax		-740,023	17,22,014
Total tax expenses		7,50,20,257	9,13,19,738
XI Profit/(loss) for the year		19,02,01,746	20,66,83,001
XII Earnings per Share			
Equity Shares of ₹5 each	27		
Basic		9.13	9.93
Diluted		9.13	9.93

Significant Accounting Policies and Notes on Financial Statements

1 to 38

As per our report of even date

For Dinesh Ajmera & Associates

Chartered Accountants

Firm Reg No:011970C

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

Anita S Gandhi
(Whole Time Director)
DIN-02864338

CA. Dinesh Ajmera
Partner

Membership No. : 402629
Indore, 21st May, 2019

Mahesh Pancholi
(Company Secretary)

Tarun Goyal
(CFO)

Arihant Capital Markets Limited
Consolidated Cash Flow Statement for the year ended 31st March,2019

	31st March 2019	31st March 2018
	₹	₹
Cash flow from operating Activities		
Net profit before taxation	26,52,22,003	29,80,02,739
Add adjustments for :		
(Profit) / Loss on sale of fixed assets		
(Profit) / Loss on sale of Investments	-84,97,748	-5,47,98,206
Provision on Standard Assets	2,44,148	37,923
Provision on Sub - Standard Assets	89,859	0
Provision for Gratuity	9,16,329	8,49,819
Preliminary Expenses	0	1,200
Depreciation / amortisation	1,19,80,960	1,01,31,345
Dividend Income	-14,14,200	-40,68,335
Operating profit before working capital changes	26,85,41,350	25,01,56,485
Adjustments for changes in working capital :		
- Trade and other receivables	-14,97,84,336	-52,36,47,849
- Inventories	12,17,65,133	-13,28,02,551
- Loans & Advances	-10,51,56,639	0
- Trade and other payables	-2,48,87,986	3,34,26,844
Cash generated from operation	11,04,77,522	-37,28,67,071
- Taxes paid (net)	-7,36,29,735	-9,01,01,877
Net cash from Operating Activity (A)	3,68,47,787	-46,29,68,949
Cash flow from Investing Activities		
(Purchase) / Sales of fixed assets	-1,26,82,734	-2,64,24,822
(Purchase) / Sales of Investments	-3,00,40,422	17,83,84,877
Capital Advance	2,00,000	-2,00,000
Dividend received	14,14,200	40,68,335
NET CASH USED IN INVESTING ACTIVITY (B)	-4,11,08,956	15,58,28,390
Cash flow from Financing Activities		
Dividend Paid	-1,56,16,920	-1,56,16,920
Preliminary Expenses	0	-1,200
Proceeds from secured loans	14,07,97,357	86,62,02,322
Dividend distribution tax paid	-32,10,110	-31,79,238
Net cash used in Financing Activities(C)	12,19,70,327	84,74,04,964
Net increase in cash and cash equivalents (A+B+C)	11,77,09,159	54,02,64,405
Cash and cash equivalents at the beginning of the year	106,21,68,572	52,19,04,166
Cash and cash equivalents at the end of the year	117,98,77,731	106,21,68,572
Cash and cash equivalents comprise of		
Cash and cheques in hand	5,92,198	6,92,375
Balances with scheduled banks	117,92,85,534	106,14,76,197
Total	117,98,77,731	106,21,68,572

Significant Accounting Policies and Notes on Financial Statements

1 to 38

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, 21st May, 2019

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)

Ajmera



ARIHANT CAPITAL MARKETS LIMITED

Notes Forming Part of Consolidated Financial Statements

NOTE 1: STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF ACCOUNTING

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

B. USE OF ESTIMATES

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

C. REVENUE RECOGNITION

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

D. PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment 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 Property, Plant and Equipment 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.

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. DERIVATIVE INSTRUMENTS

The Company enters into exchange traded derivative products i.e. equity/index futures and options, for proprietary trading purposes. The derivative contracts are recognised on a trade date basis and stated at the fair value, being the last quoted closing price on the National Stock Exchange of India Limited ('NSE') (in case not traded on NSE, last quoted closing price on BSE Limited is considered) on the balance sheet date. Changes in the fair value of the derivative contracts are recognised in the statement of profit and loss.

K. TAXES ON INCOME

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

L. 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.

M. 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.

N. 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.

O. 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.

P. 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.

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.

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Arihant Capital Markets Limited
Notes on Consolidation Financial Statements for the year ended 31st March,2019

Particulars	31st March 2019 ₹	31st March 2018 ₹
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		
<u>Equity Shares of face value ₹5/-</u>		
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	92,27,61,965	76,42,61,965
Add: Transfer from Profit & Loss	15,75,00,000	15,85,00,000
Closing Balance	108,02,61,965	92,27,61,965
Statutory Reserve		
Balance as per last Balance Sheet	95,98,000	85,72,000
Add : Transfer from Profit and Loss Account	21,22,000	10,26,000
Closing Balance	1,17,20,000	95,98,000
Capital Reserve on Consolidation		
Balance as per last Balance Sheet	35,14,559	35,14,559
Add : Change during the year		
Closing Balance	35,14,559	35,14,559
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statements	14,89,47,751	12,05,86,908
Profit for the year	19,02,01,746	20,66,83,001
Less: Appropriations		
Equity Dividend (Dividend per share ₹0.75)	1,56,16,920	1,56,16,920
Dividend Distribution Tax	32,10,110	31,79,238
Transfer to General Reserve	15,75,00,000	15,85,00,000
Transfer to Statutory Reserve	21,22,000	10,26,000
Net surplus in the statement of Profit and Loss	16,07,00,468	14,89,47,751
Total	125,61,96,991	108,48,22,275
4. Long Term Provisions		
Provision for Employee Benefits	83,32,142	78,14,975
Total	83,32,142	78,14,975

Arihant Capital Markets Limited

Notes on Consolidation Financial Statements for the year ended 31st March,2019

Particulars	31st March 2019 ₹	31st March 2018 ₹
5.Deferred Tax Liabilities/ (Assets)		
Deferred Tax Liabilities		
Related to Fixed Assets	86,54,273	97,05,719
Total (a)	86,54,273	97,05,719
Deferred Tax Assets		
Disallowance under the Income Tax Act, 1961	41,21,080	45,06,695
Preliminary Expenses	35,976	0
MAT Credit Entitlement	0	17,612
Unabsorbed Losses	1,40,782	84,955
Total (b)	42,97,838	46,09,262
Net Deferred Tax Liabilities /(Assets) [(a)-(b)]	43,56,436	50,96,458

6.Short Term Borrowings

Secured

From Bank* 104,14,43,766 91,43,46,408

Unsecured

From Related Parties (Refer Note 26) 5,02,00,000 3,65,00,000

Total 109,16,43,766 95,08,46,409

* Bank Loan 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 60,94,07,774 66,88,66,940

Micro, Small and Medium Enterprises 0 0

(Refer Note 31)

Total 60,94,07,774 66,88,66,940

8.Other Current Liabilities

Other Payables 8,57,54,441 8,82,64,055

Advance Recieved against Sale of Plot 8,72,908 5,48,47,280

Advance for Maintenance Receipt 0 1,49,688

Liability for Exp to be incurred 32,89,090 21,28,351

Unpaid Dividend # 24,45,642 23,07,865

Deposits from Intermediateries & Others 20,62,73,422 11,63,67,085

Total 29,86,35,503 26,40,64,324

Out of the above amount, the company is required to credit a sum of ₹2,31,112.00 lying in the unpaid/unclaimed dividend account, on or before 31st August, 2019 to the Investor Education & Protection Fund pursuant to Sub -section (1) of Section 125 of The Companies Act, 2013.

9.Short-Term Provisions

Contingent Provisions against Standard Assets 4,73,482 2,29,334

Provision for Employee Benefits 35,75,214 31,76,052

Provision for non performing assets (Sub- Standard) 89,859 0

Provision for tax (Net) 22,88,685 1,58,144

Total 64,27,239 35,63,530

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ARIHANT CAPITAL MARKETS LIMITED

Notes on Consolidation Financial Statements for the year ended 31st March 2019

10. Property, Plant & Equipment and Intangible Assets

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at	Additions	Deductions	As at	As at	For the	On	As at	As at	As at
	1st April	for the	Adjustment	31 March,	1st April	Year	Deductions	31 March,	31 March,	31st March,
	2018	Year	for the Year	2019	2018			2019	2019	2018
Property, Plant & Equipment										
Freehold Land	10,66,54,080	28,38,070	0	10,94,92,150	0	30,065	0	30,065	10,94,62,085	10,66,54,080
Premises	6,71,44,313	0	18,48,000	6,52,96,313	76,24,187	10,60,780	1,45,290	85,39,677	5,67,56,636	6,05,81,935
Furniture & Fixtures	2,56,28,486	4,95,675	0	2,61,24,161	1,72,91,097	11,90,599	0	1,84,81,696	76,42,465	77,56,794
Office Equipments	1,35,89,504	12,25,769	6,536	1,48,08,737	1,05,73,863	9,83,753	0	1,15,57,616	32,51,121	25,66,786
Computers	4,52,77,349	76,23,649	37,14,005	4,91,86,993	3,63,48,830	51,00,686	37,09,104	3,77,40,412	1,14,46,581	62,47,197
Electrical Installations	23,63,826	0	0	23,63,826	11,13,947	1,65,850	0	12,79,797	10,84,029	13,44,311
Motor Vehicles	2,20,78,749	21,60,792	52,81,418	1,89,58,123	69,61,460	22,17,411	42,43,319	49,35,552	1,40,22,571	61,72,144
Sub Total (A)	28,27,36,307	1,43,43,955	1,08,49,959	28,62,30,303	7,99,13,383	1,07,49,144	80,97,713	8,25,64,814	20,36,65,489	19,13,23,247
Intangible Assets										
Software	2,31,54,212	10,91,025	0	2,42,45,237	1,61,03,407	12,31,816	0	1,73,35,224	69,10,013	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)	2,40,55,212	10,91,025	0	2,51,46,237	1,70,04,107	12,31,816	0	1,82,35,923	69,10,314	22,57,308
Total (A+B)	30,67,91,519	1,54,34,980	1,08,49,959	31,13,76,540	9,69,17,490	1,19,80,960	80,97,713	10,08,00,737	21,05,75,802	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	

Arihant Capital Markets Limited

Notes on Consolidation Financial Statements for the year ended 31st March,2019

11.Non Current Investments

Particulars	FV ₹	31st March, 2019 Quantity	31st March, 2019 ₹	31st March, 2018 Quantity	31st March, 2018 ₹
Trade Investments					
<u>In Equity Shares - Quoted, fully paid up</u>					
BSE Limited	2		0	644	0
Nitiraj Engineers Limited	10	220800	1,41,24,760	0	0
Spectrum Electrical Industries Limited	10	782000	5,08,19,800	0	0
<u>In Equity Shares - Unquoted, fully paid up</u>					
Saurashtra Kutch Stock Exchange Limited	100	50	5,05,000	50	5,05,000
Total Trade Investment (A)			6,54,49,560		5,05,000
Other Investments					
<u>In Equity Shares - Unquoted, fully paid up</u>					
The Saraswat Co-Operative Bank Limited	10	500	5,000	500	5000
Quest Global Technologies Limited	10	90000	9,00,000	90000	900000
<u>Quoted Mutual Fund</u>					
Reliance Money Manager Fund - Growth Plan Growth Option					
Total Other Investment (B)			9,05,000		9,05,000
Total Non Current Investments (A+B)			6,63,54,560		14,10,000
Aggregate Value of Quoted Investments					
- At Cost			6,49,44,560		0
- At Market Value			5,62,94,800		4,86,993
Aggregate Value of Unquoted Investments					
			14,10,000		14,10,000
12.Other Non Current Assets					
(Unsecured, considered good)					
Deposits with Exchanges / Depositories			2,30,34,283		2,19,31,103
Capital Advance			0		2,00,000
Total			2,30,34,283		2,21,31,103

13.Current Investments

Particulars	Face Value ₹	31st March, 2019 Quantity	31st March, 2019 ₹	31st March, 2018 Quantity	31st March, 2018 ₹
Investment in Equity Shares - Quoted, fully paid up					
Maruti Suzuki India Limited	5	0	0	2700	1,60,46,910
Nitiraj Engineers Limited	10	0	0	157200	1,03,59,480
Total			0		2,64,06,390
Aggregate Value of Quoted Investments					
- At Cost			6,49,44,560		2,72,35,911
- At Market Value			5,62,94,800		3,42,84,450

ARIHANT CAPITAL MARKETS LIMITED

Notes on Consolidation Financial Statements for the year ended 31st March,2019

14.Inventories

Particulars	Face Value ₹	31st March, 2019 Quantity	31st March, 2019 ₹	31st March, 2018 Quantity	31st March, 2018 ₹
A.Shares					
<u>Quoted Equity Shares</u>					
Aditya Birla Capital Limited	10	0	0	214000	3,12,33,300
Albert David Limited	10	0	0	20254	74,16,002
Bajaj Holding & Investment Limited	10	0	0	22607	6,02,36,352
Century Plyboards (India) Limited	1	0	0	37115	1,21,21,759
Century Textiles & Industries Limited	10	0	0	9159	1,04,65,073
Gruh Finance Limited	2	36033	95,89,004	0	0
HDFC Life Insurance Company Limited	10	81000	2,98,07,642	0	0
Kotak Mahindra Bank Limited	5	10000	1,25,12,005	0	0
Oberoi Realty Limited	10	10000	51,99,484	0	0
Reliance Industries Limited	10	2000	25,75,390	0	0
Sun Pharmaceutical Industries Limited	1	29700	1,38,52,572	0	0
Trent Limited	1	30000	1,08,57,000	0	0
Voltas Limited	1	0	0	10000	61,27,500
Whirlpool of India Limited	10	5000	75,75,500	500	7,48,802
			9,19,68,597		12,83,48,787
Aggregate Value of Stock-in-Trade					
- At Cost			9,22,67,590		13,26,81,144
- At Market Value			9,45,48,546		12,84,36,611
B.Land					
Land and Development Cost (WIP)			25,23,81,128		33,77,66,071
			25,23,81,128		33,77,66,071
Total (a+b)			34,43,49,725		46,61,14,858

Arihant Capital Markets Limited
Notes on Consolidation Financial Statements for the year ended 31st March,2019

Particulars	31st March 2019 ₹	31st March 2018 ₹
15.Trade Receivables		
(Considered good, except where provided for)		
Debts over six months		
-Secured	3,86,000	6,76,500
-Unsecured	2,86,25,715	5,22,46,530
Other Debts		
-Secured		
-Unsecured	124,71,73,485	111,64,21,045
Total	127,61,85,200	116,93,44,075
16. Cash and Cash Equivalents		
Balances with banks		
On current accounts	14,15,67,716	19,16,79,653
On deposit account*	103,22,72,175	86,74,88,680
Cheque In Hand	30,00,000	0
On Unclaimed dividend account	24,45,642	23,07,865
Cash on hand	5,92,198	6,92,375
Total	117,98,77,731	106,21,68,572
* Fixed deposits with bank include deposits of ₹5,61,00,000 (previous year ₹39,67,75,000) with maturity of more than 12 months		
17.Short Term Loans and Advances		
-Secured, considered good		
Loan against assets	6,89,52,127	2,11,84,182
-Secured, considered doubtful (non - performing)		
Loan against assets	8,98,586	0
-Unsecured, considered good		
Other loans and advances	8,70,41,976	3,05,51,868
Total	15,68,92,689	5,17,36,051
18.Other Current Assets		
Deposits with Exchanges / Depositories	3,66,25,000	1,50,14,920
Deposit with Related parties (Refer Note 25)	1,66,87,500	1,68,87,500
Advance against Property	0	1,01,32,420
Initial Margin- Equity Derivative Instrument	2,75,76,468	0
Other Deposits	28,37,999	35,77,037
Advance for Fixed Assets	1,53,206	0
Other Advances	3,07,56,391	2,23,38,715
Income tax & Tds Receivable (Net of Provision)	72,06,098	1,20,52,039
Total	12,18,42,662	8,00,02,630
19.Revenue From Operations		
Brokerage	49,95,09,844	61,21,01,521
Commission Received (Net)	1,21,01,848	1,49,56,218
Fees From Merchant Banking	2,22,52,969	7,31,53,146
Interest on Funding	20,58,06,968	19,42,94,591
Depository Receipts	1,62,06,516	1,38,88,116
Interest on Loans and Deposit	3,34,86,140	1,46,15,165
Sale of Plot	12,53,70,858	1,19,90,107
Profit/(Loss) on Share Trading*	2,35,24,492	-2,18,60,178
Profit/(Loss) on Commodity Trading	0	-14,20,614
Profit on Sale of Investments (net)	84,97,748	5,47,98,206
Dividend Income	14,14,200	40,68,335
Consultancy Charges	0	20,000
Other	1,71,908	4,30,714
Total	94,83,43,493	97,10,35,327

Arihant Capital Markets Limited**Notes on Consolidation Financial Statements for the year ended 31st March,2019**

Particulars	31st March 2019	31st March 2018
	₹	₹
*Trading details in cash segment		
Opening Stock	12,83,48,787	1,70,23,255
Purchase (including charges)	390,05,81,444	451,25,86,273
Sales	393,99,30,445	439,87,33,540
Closing Stock	9,19,68,597	12,83,48,787
20. Other Income		
Interest Received	7,18,87,375	5,20,31,294
Bad Debts Recovered	78,46,461	40,000
Foreign Exchange Gain	7,16,307	33,305
Profit on Sale of Fixed Assets	9,69,140	13,861
Miscellaneous Income	9,55,143	12,87,574
Total	8,23,74,427	5,34,06,034
21. Cost of Sale		
Opening Stock	33,77,66,071	31,62,89,051
Add:-		
Land development cost		
Cost of Material Purchased	7,33,317	5,18,573
Operating & Project Expenses Incurred During the Year:-		
Architect Fees	1,11,000	1,00,000
Preliminaries & Site Expenses	35,95,995	13,86,499
Civil, Electrical, Contracting etc.	52,27,765	37,06,926
Electricity	94,642	4,62,702
Electrical Development & Supervision Charges	0	34,68,659
Payment to Local Agencies & Permission Charges	5,00,000	14,42,999
Finance Cost	0	2,09,36,397
Depreciation (Refer Note No 10)	0	2,16,390
Total	34,80,28,789	34,85,28,197
Less : Closing Stock	25,23,81,128	33,77,66,071
Total	9,56,47,661	1,07,62,126
22. Employee Benefit Expenses (Includes Managerial Remuneration)		
Salaries, Wages and Bonus	14,55,09,340	13,49,33,735
Contribution to Provident and other Fund	17,04,886	12,01,346
Gratuity Expense	13,51,003	13,53,688
Staff Welfare Expenses	22,20,024	22,98,992
Total	15,07,85,253	13,97,87,761
23. Finance Cost		
Interest Expenses	9,94,52,794	7,18,51,102
Total	9,94,52,794	7,18,51,102

Arihant Capital Markets Limited**Notes on Consolidation Financial Statements for the year ended 31st March,2019**

Particulars	31st March 2019	31st March 2018
	₹	₹
24. Other Expenses		
Advertisement	27,59,399	22,60,815
<u>Auditors' Remuneration</u>		
Audit fee	6,51,500	5,51,500
Statutory Audit fees	1,27,500	77,500
Tax Audit Fees	75,000	60,000
Other services	57,500	0
Bad Debts Written Off	81,17,598	33,899
Bank & Depository Charges	72,90,942	99,27,942
Business Development	50,99,953	62,20,512
Clearing Charges	18,17,730	20,10,392
Corporate Social Responsibility	26,52,100	12,50,000
Communication including V-Sat	1,00,05,210	1,03,16,412
Depository Charges	64,08,312	19,89,416
Donation	11,25,000	2,11,000
Electricity	56,70,736	53,33,485
Exchange Transaction Charges	5,22,75,191	5,91,08,452
Insurance	5,81,023	5,67,024
Legal and Professional	1,10,96,467	1,07,03,304
Leasehold Premises Expense	12,766	0
Membership Fee & Subscription	32,27,790	38,47,981
Merchant Banking Expenses	3952609	5,40,19,915
Miscellaneous Expenses	35,48,465	33,68,628
Office Expenses	18,85,970	17,62,526
Preliminary Expenses	2,400	1,200
Rent, Rates & Taxes	1,51,93,522	1,24,03,846
Repairs & Maintenance	48,80,053	66,93,739
Provision on Standard Assets	2,44,148	37,923
Provision on Sub - Standard Assets	89,859	0
Software Maintenance	1,72,12,038	1,27,90,822
Stationery & Printing	13,37,926	18,21,101
Sub Brokerage/Referral Fees and Expenses	23,37,96,814	28,02,38,401
Travelling, Conveyance and Motor Car Expenses	64,33,728	65,14,943
	40,76,29,248	49,41,22,678

Arihant Capital Markets Limited
Notes on Consolidation Financial Statements for the year ended 31st March 2019
25 (a). Companies included in consolidation

Name of Subsidiaries	Country of Incorporation	Proportion of Interest	
		as on 31.03.19	as on 31.03.18
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 Investment Advisors Private Limited (Formerly known as Arihant Financial Planners & Advisors Private Limited)	India	100.00%	100.00%
Arihant Asset Management Limited (Formerly known as 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%

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

2018-2019				
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	72.86%	1,090,970,894	88.49%	168,339,494
Subsidiary				
Indian				
Arihant Financial Services Limited	4.92%	73,734,420	5.54%	10,541,616
Arihant Futures & Commodities Limited	9.46%	141,624,049	4.55%	8,661,837
Arihant Lifespace Infra Developers Limited	7.79%	116,624,051	0.58%	1,099,684
Arihant Insurance Broking Services Limited	0.59%	8,886,418	0.13%	240,439
Arihant Investment Advisors Private Limited (Formerly known as Arihant Financial Planners & Advisors Private Limited)	0.27%	3,971,528	0.10%	191,818
Arihant Asset Management Limited (Formerly known as Arihant Housing Finance Corporation Limited)	1.94%	29,055,180	0.47%	890,540
Ahinsa Lifespace Infraheight Limited	1.25%	18,648,913	-0.03%	(63,165)
Arihant Capital (IFSC) Limited	0.93%	13,897,019	0.17%	325,684
Sub Total	100.00%	1,497,412,471	100.00%	190,227,946
Less Intercompany Elimination and Consolidation Adjustments		(137,076,480)		-
Total		1,360,335,991		190,227,946
Minority Interest		-		-
Grand Total		1,360,335,991		190,227,946

Arihant Capital Markets Limited
Notes on Consolidation Financial Statements for the year ended 31st March 2019

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%	941,458,430	93.70%	200,325,083
Subsidiary				
Indian				
Arihant Financial Services Limited	4.78%	63,192,805	2.40%	5,129,620
Arihant Futures & Commodities Limited	10.05%	132,962,212	3.14%	6,707,558
Arihant Lifespace Infra Developers Limited	8.73%	115,524,367	0.10%	211,155
Arihant Insurance Broking Services Limited	0.65%	8,645,979	0.06%	137,123
Arihant Investment Advisors Private Limited (Formerly known as Arihant Financial Planners & Advisors Private Limited)	0.29%	3,779,710	0.35%	751,605
Arihant Asset Management Limited (Formerly known as Arihant Housing Finance Corporation Limited)	2.13%	28,164,640	0.30%	635,050
Ahinsa Lifespace Infraheight Limited	1.41%	18,712,078	-0.01%	(31,448)
Arihant Capital (IFSC) Limited	0.80%	10,571,335	-0.04%	(82,745)
Sub Total	100.00%	1,323,011,555	100.00%	213,783,001
Less Intercompany Elimination and Consolidation Adjustments		(134,076,480)	-	(7,100,000)
Total		1,188,935,075		206,683,001
Minority Interest		-		-
Grand Total		1,188,935,075		206,683,001

26. 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, 2019 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 (till 25.09.2018)
 Mr. Parag R. Shah, Director
 Mr. Ashish Maheshwari, Director

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

Shyam Developers

Particulars	Key Management Personnel	Relatives of Key Management Personnel	Total
Salary & Incentive *	24543507 20620829	5350968 5091249	29894475 25712078
Rent #	1465000 1440000	5423054 5469711	6888054 6909711
Sitting Fees %	300000 360000	0 0	300000 360000
Interest Paid \$	355492 0	0 0	355492 0
legal & Professional **	0 0	0 300000	0 300000
Assets			
Rent Deposits ^	350000 350000	16287500 16487500	16637500 16837500
Outstanding at year end			
Loans Taken &	50200000 36500000	0 0	50200000 36500000

Figure in italics represents previous year figures

Arihant Capital Markets Limited**Notes on Consolidation Financial Statements for the year ended 31st March 2019**

*Payment to key management personnel for Salaries includes payment to Ashok Kumar Jain ₹20693907 (Previous Year ₹17384029), Anita Gandhi ₹3849600 (Previous Year ₹3236800), and to relatives of key management personal includes Shruti Jain ₹2400000 (Previous Year ₹2361290), Swati Jain ₹1319984 (Previous Year ₹1225303), Kiran Jain ₹ 311000 (Previous Year ₹ 279000), and Arpit Jain ₹1319984 (Previous Year ₹1225656).

Rent paid to Ashok Kumar Jain ₹1465000 (Previous Year ₹1440000), Kiran Jain ₹4008554 (Previous Year ₹4055211), Ashok Kumar Jain HUF ₹581244 (Previous Year ₹581244), Arpit Jain ₹581256 (Previous Year ₹581256) and Shyam Developers ₹252000 (Previous Year ₹252000).

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

^ Deposit given includes Ashok Kumar Jain ₹350000 (Previous Year ₹350000), Kiran Jain ₹2318750 (Previous Year ₹2543750), Ashok Kumar Jain HUF ₹484375 (Previous Year ₹496875), Arpit Jain ₹484375 (Previous Year ₹498675) and Shyam Developers ₹ 1300000 (Previous Year ₹13000000).

\$ Interest paid to Pavan Kumar Ved ₹355492 (Previous Year ₹Nil)

& Loan taken from Ashok Kumar Jain ₹50200000 (Previous Year ₹36500000)

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

27. Earning per Share

	2018-2019	2017-2018
i) Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹)	19,02,01,746	20,66,83,001
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 (₹)	9.13	9.93
iv) Face value per Equity Share (₹)	5	5

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

Defined Contribution Plans	2018-2019	2017-2018
Employer's Contribution to Provident Fund	11,33,123	7,92,619
Employer's Contribution to ESIC	7,07,193	5,45,100

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

	2018-2019	2017-2018
Mortality Table (LIC)	2006-08 (Ultimate)	2006-08 (Ultimate)
Discount rate (per annum)	6.66%	6.93%
Rate of escalation in salary (per annum)	5%	5%

29. Income in foreign currency ₹1386596 (previous year ₹Nil). Expenditure in foreign currency ₹Nil (previous year ₹Nil).

30. Contingent Liability & Capital Commitments

- Bank Guarantees of ₹15875000 (Previous Year ₹10000000) extended to ICCL Bombay Stock Exchange Limited under the mandatory rules for membership and ₹ 60000000 (Previous Year ₹63500000) towards additional margin.
- Bank Guarantees of ₹ 7500000 (Previous Year ₹7500000) extended to National Securities Clearing Corporation Limited under the mandatory rules for membership and ₹ 129800000 (Previous Year ₹99800000) towards additional margin.
- Bank Guarantees of ₹1500000 (Previous Year ₹1500000) extended to Metropolitan Stock Exchange India Limited under the mandatory rules for membership .
- Bank Guarantees of ₹482500000 (Previous Year ₹380100000) extended to Axis Bank Ltd (Clearing Member of Company in NSE FNO segment) towards margin requirement.
- Bank Guarantees of ₹55750000/- (Previous Year ₹265550000/-) extended to National Commodity Clearing Corporation Limited under the mandatory rules for membership and towards additional margin..
- Bank Guarantees of ₹97250000 (Previous Year ₹ 87250000) extended to Multi Commodity Exchange of India Ltd under the mandatory rules for membership and towards additional margin.
- Corporate guarantee of ₹250000000 (Previous Year ₹400000000) given to banks on behalf of subsidiary M/s Arihant Futures and Commodities Limited.
- Income Tax Demand for various years ₹Nil (₹4594583)
- Claims against the Company not acknowledged as debts ₹Nil (Previous Year ₹Nil).

Arihant Capital Markets Limited
Notes on Consolidation Financial Statements for the year ended 31st March 2019

31. Fixed Deposits

Fixed deposits with scheduled banks include ₹70200000 (Previous Year ₹158400000) which is under the lien of National Securities Clearing Corporation Limited, ₹55600055 (Previous Year ₹Nil) which is under the lien of National Stock Exchange of India Limited, ₹447800000 (Previous Year ₹258300000) which is under the lien of Axis Bank Ltd for NSEFNO segment, ₹Nil(Previous Year ₹500000) which is under the lien of Axis Bank Ltd for MSEIL currency derivative segment, ₹41000000(Previous Year ₹5000000) which is under the lien of National Commodity Clearing Corporation Limited and ₹39900000(Previous Year ₹9900000 which is under the lien of Multi Commodity Exchange of India Ltd and ₹2000000 (Previous Year ₹Nil) which is under the lien of Pension Fund Regulatory and Development Authority.

32. 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.

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

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

35. Segment Reporting

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

36. Events occurring after Balance sheet date

The Board of Directors has recommended Equity dividend of ₹ 0.75 per share for the financial year 2018-19.

37. The Financial Statements were authorised for issue by the directors on 21st May, 2019.

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

For and on behalf of the Board

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

Anita S Gandhi
(Whole Time Director)
DIN-02864338

CA. Dinesh Ajmera
Partner
Membership No. : 402629
Indore, 21st May, 2019

Mahesh Pancholi
(Company Secretary)

Tarun Goyal
(CFO)

Ajmera

