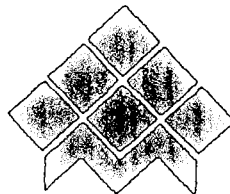



**Annual Report
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MD	✓		BKC	✓
CS	NA		DEY	NA
RO	✓		EDV	NA
TRA	NA		AC	✓
AGM	✓	✓	SHH	✓
YE	✓	✓		✓

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FOR ASSESSMENT AND MAINTENANCE OF THE




DIRECTOR

ARIHANT CAPITAL MARKETS LIMITED



Arihant Capital Markets Limited

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**BOARD OF DIRECTORS**

Shri Ashok Kumar Jain -Chairman
Shri Pramod Devpura
Shri Akhilesh Rathi
Shri Sunil Kumar Jain

COMPANY SECRETARY

Shri Rakesh Garg

AUDITORS

M/s. Kedar Agrawal & Company
Chartered Accountants
Manak Chowk,
Ratlam 457001 (M.P.).

BANKERS

Canara Bank

REGISTERED OFFICE

E/5, Ratlam Kothi Area,
INDORE 452 001 [M.P.].
Tel. : 519610 - 12
Fax : 519817 Email: arihantf@Bom4.vsnl.Net.in

MUMBAI OFFICE

13 Timothy Building,
S.S.Gaikwad Marg,
MUMBAI 400 002.
Tel. : 2007432
Fax : 2007435

Arihant Capital Markets Limited

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**NOTICE**

NOTICE is hereby given that the **7th Annual General Meeting** of the members of **ARIHANT CAPITAL MARKETS LIMITED** will be held as scheduled below :

DATE : 30th, SEPTEMBER 1998
 TIME : 4:30 A.M.
 VENUE : E-5, RATLAM KOTHI AREA
 4, AMIT APARTMENT
 INDORE-452001

to transact the following business :

ORDINARY BUSINESS:

1. To, receive, consider, approve and adopt Audited Statement of Accounts for the year ended 31st March, 1998 and to adopt the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sunil Kumar Jain who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Akhilesh Rathi who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint auditors and to fix their remuneration.

On Behalf Of The Board

Place : Indore
 Date : 29/06/1998

A.K.JAIN
 (CHAIRMAN)

NOTE

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote at the meeting instead of himself and the proxy need not to be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday 15th September 1998 to Wednesday 30th September 1998 (both days inclusive).
3. Members seeking any information are requested to write to the Company atleast 10 days in advance so as to enable the Company to keep the information ready.
4. Members are requested to notify to the Company immediately any change in their address.
5. The members/ proxies should bring the attendance slip duly filled in and signed for attending the meeting.

Arihant Capital Markets Limited

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**DIRECTORS' REPORT**

Your Directors are pleased to present their 7th Annual Report and the Audited Accounts for the year ended 31st March, 1998.

1. FINANCIAL RESULTS

The Financial results for the year 1997-98 are summarised below:

	Amount In Rs.	
	1997-98	1996-97
Profit subject to Depreciation and Tax	2,12,432	4,12,185
Less: Depreciation	1,69,368	2,50,480
Profit before Tax	43,064	1,61,705
Less: Provision for Taxation	12,000	80,000
Profit after Tax	31,064	81,705
Less: Lease rent adjustment	17,81,394	--
	(17,50,330)	81,705
Profit brought forward from previous year	1,44,934	63,229
Balance from General Reserve	5,00,000	--
Surplus carried to Balance Sheet	(11,05,396)	1,44,934

2. DIVIDEND

In view of inadequate profit and to conserve resources the Board of Directors consider it prudent not to recommend any dividend for the year under review.

4. OPERATIONS

The year under review proved to be difficult one year for the Indian capital market and consequently for the company. Subdued sentiments continued and it was further depend due to crises in the economy of South East Asian Countries. The company's performance was average despite all odds.

During the year performance of ARIHANT FINCAP LIMITED promoted by the Company for carrying on stock broking activities on the capital market segment of National Stock Exchange of India Limited, is satisfactory.

5. PARTICULARS OF EMPLOYEES

The Company has no Employee, whose particulars are required to be given Under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975.

6. PARTICULARS U/S 217 (1) (e) REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.

The Company has no activity relating to Conservation of Energy or Technology Absorption. There was also no earnings and outgo of foreign exchange.

7. FIXED DEPOSITS

During the year, the company has not accepted any deposits under Section 58-A of the Companies Act, 1956.

9. DIRECTORS

During the year Shri Sushil Banthia & Shri Kamal Kumar Jain, Directors of the Company resigned from the Board. Your Directors placed on record the valuable Services rendered by him to the company. In accordance with the articles of association of the company Mr. Sunil Kumar Jain & Mr. Akhilesh Rathi retire by rotation and being eligible offer themselves for reappointment.

10. AUDITORS

Messrs Kedar Agrawal & Company, Chartered Accountants, Auditors of the company retire as auditors at the conclusion of the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment.

11. ACKNOWLEDGEMENT

Your Directors acknowledge with gratitude the cooperation and assistance given by the Bankers, Clients, Employees and above all the shareholders of the company during the year under review.

On Behalf Of The Board

Place : Indore
Date : 29/06/1998

A.K.JAIN
(CHAIRMAN)

Arihant Capital Markets Limited

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**AUDITOR'S REPORT**

THE MEMBERS,
ARIHANT CAPITAL MARKETS LIMITED,
INDORE.

We have audited the attached Balance Sheet of **ARIHANT CAPITAL MARKETS LIMITED** as at 31st March, 1998 and also the annexed Profit & Loss Account for the year ended on that date and report that:

1. As required by the manufacturing and other companies (Auditors Report) order 1988 issued by the company Law Board in terms of section 227 (4A) of the Companies Act, 1956 we enclose in the annexure statement on the matters specified in paragraph 4 and 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph (1) above:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of books.
 - c. The balance sheet and profit & loss account dealt with by this report are in agreement with the books of the account.
 - d. In our opinion, and to the best of our information and according to the explanations given to us, the accounts subject to and read with the notes thereon and statement of significant accounting policies give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
- i. In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 1998 and;
- ii. In the case of Profit & Loss Account of the Profit of the Company for the year ended on that date.

for **KEDAR AGRAWAL & CO.**
CHARTERED ACCOUNTANTS

Place : RATLAM
 Date : 29/06/98

KEDAR AGRAWAL
PROPRIETOR.

ANNEXURE TO THE AUDITORS' REPORT REFERRED TO IN PARAGRAPH (1) OF OUR REPORT

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. We are informed by the management that all these assets were physically verified by them at reasonable intervals during the year and that no material discrepancies were noticed on such verification.
2. None of the fixed assets have been revalued during the year.
3. The Company does not have any stock of Raw Materials, stores, spare parts, finished goods and therefore Clauses (iii), (iv), (v), (vi), (xii) and (xiv) of paragraph 4(A) are not applicable.
4. The parties to whom loans or advances in the nature of loans are given by the Company have been repaying the principal amounts and interest as stipulated.
5. The Company has neither taken loans from nor granted loans to companies, firm or other parties listed in the register maintained under section 301. We are informed that there are no companies under the same management within the meaning of section 370 (1B) of the Companies Act 1956.
6. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of equipments and other assets.
7. The Company has no transaction of purchase of goods and materials and sale of goods, materials and services during the year.
8. The Company has not accepted any deposits from the public during the year.
9. The Company's activities do not generate any by products or scrap.
10. In our opinion the Company has an internal audit system commensurate with its size and nature of its business.
11. We have been informed that Provident Fund Act and Employees State Insurance Act are not applicable to the company.