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MODEL





CHAIRMAN'S MESSAGE

Dear Shareholders,

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

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

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

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

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

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

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

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

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

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

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

Ashok Kumar Jain
Chairman & Managing Director

Company Information

Mr. Ashok Kumar Jain
(Chairman and Managing Director)

Mrs. Anita Surendra Gandhi
(Whole-Time Director)

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

Mr. Mahesh Pancholi
Company Secretary

Mr. Tarun Goyal
Chief Financial Officer

AUDITORS

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

REGISTERED OFFICE

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

CORPORATE OFFICE

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

ADMINISTRATIVE OFFICE

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

REGISTRAR & TRANSFER AGENT

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

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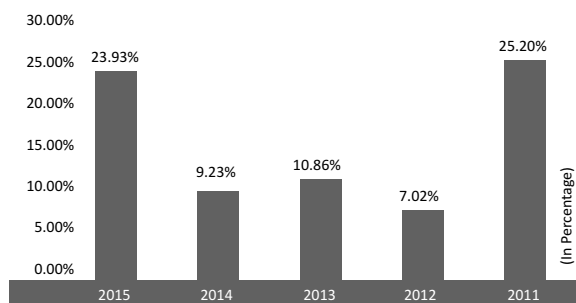
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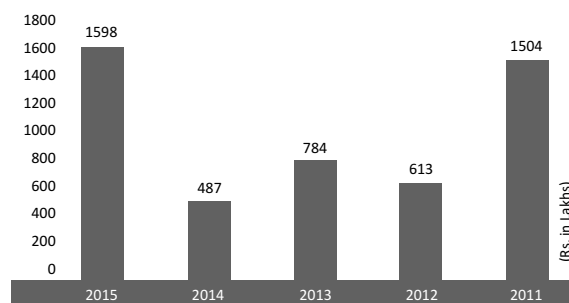


PERFORMANCE HIGHLIGHTS

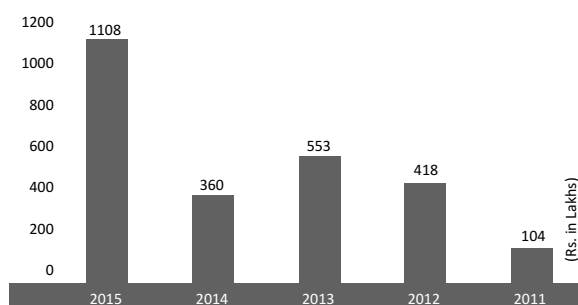
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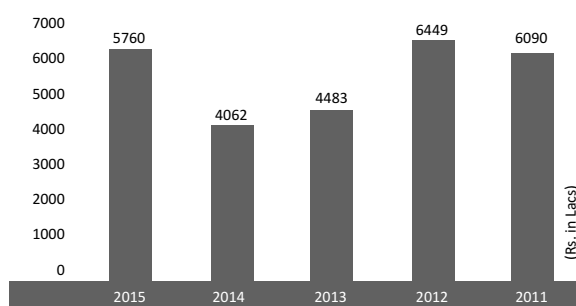
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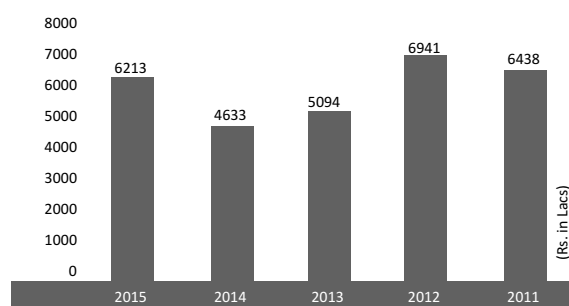
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Gross Sales



Total Income





Notice

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

ORDINARY BUSINESS:

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

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

SPECIAL BUSINESS

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

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

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

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

Basic Salary: ₹ 1,90,000 per month.

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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



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

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

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



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

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

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

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

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

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

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

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

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

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

By the order of the Board of Directors

Mahesh Pancholi
(Company Secretary)
M. No. F7143

Place: Indore
Dated: 29th May, 2015



Notes

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



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

Shareholder Instructions for E-Voting

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

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

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

The Instructions for shareholders voting through electronic means:

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