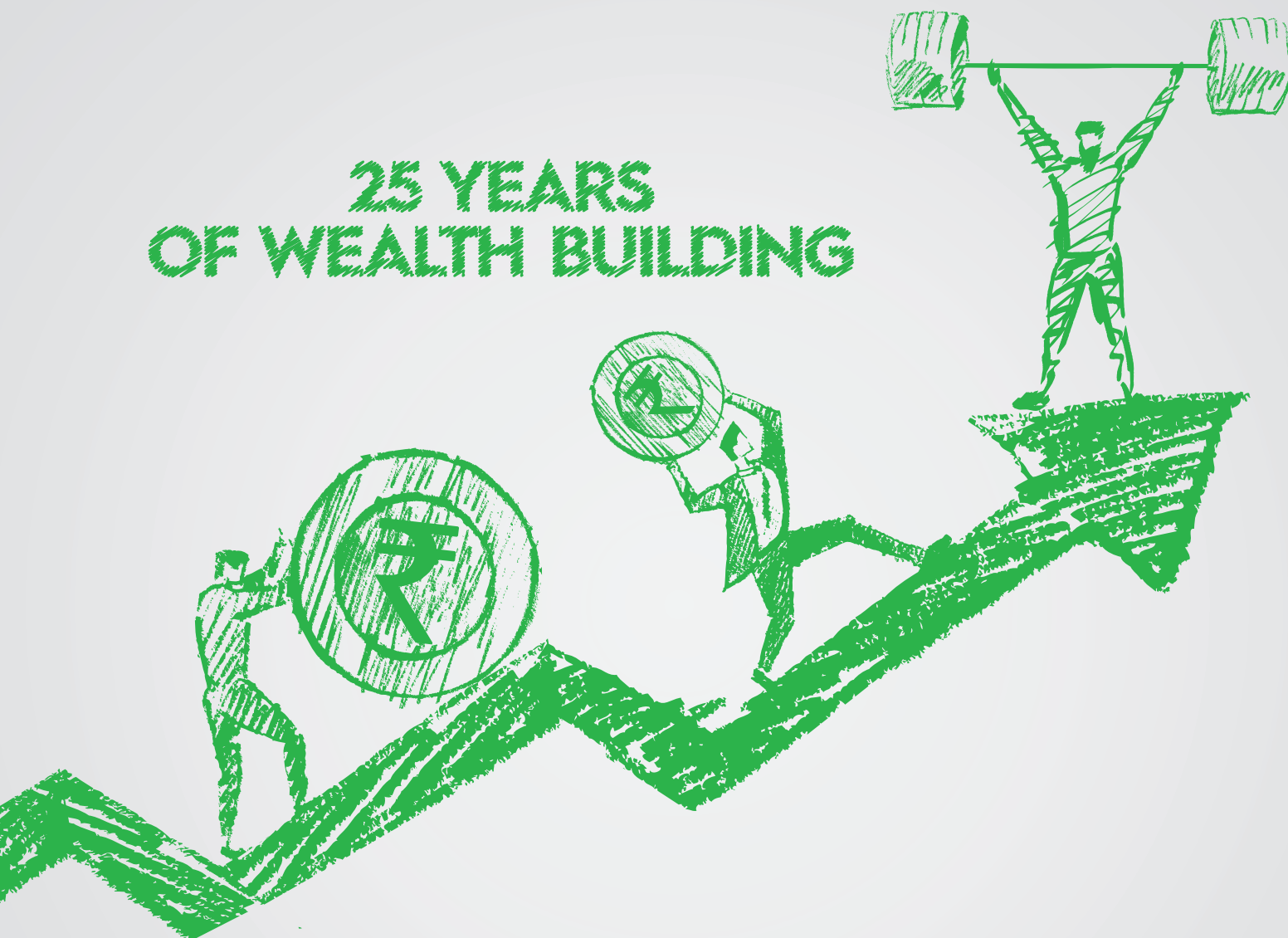


Arihant Capital Markets Ltd.



25 YEARS OF WEALTH BUILDING

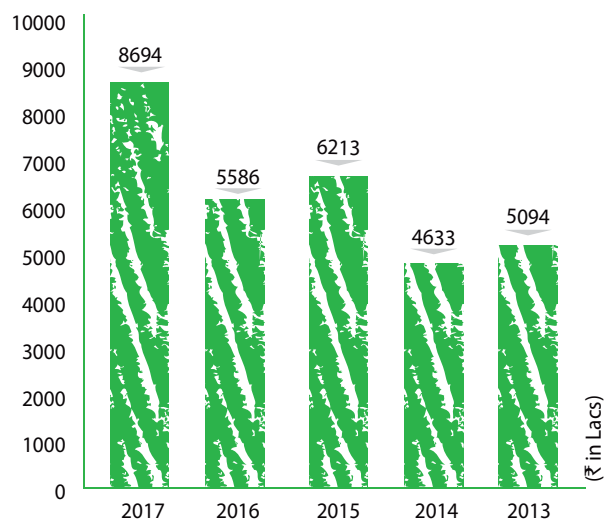


ArihantCapital
Invest Better

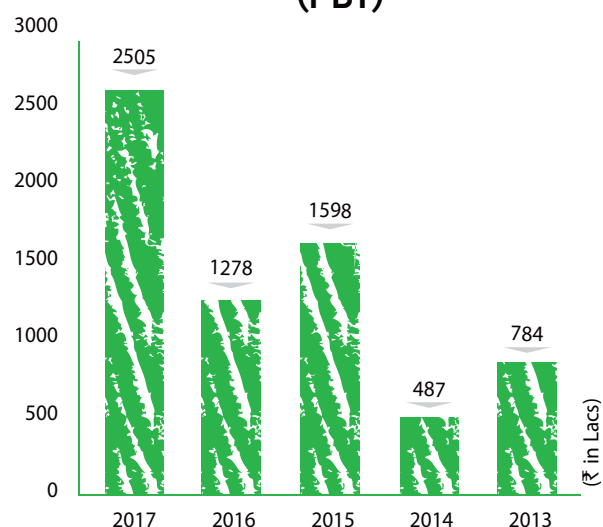
ANNUAL REPORT 2016-17

CONSOLIDATED PERFORMANCE HIGHLIGHTS

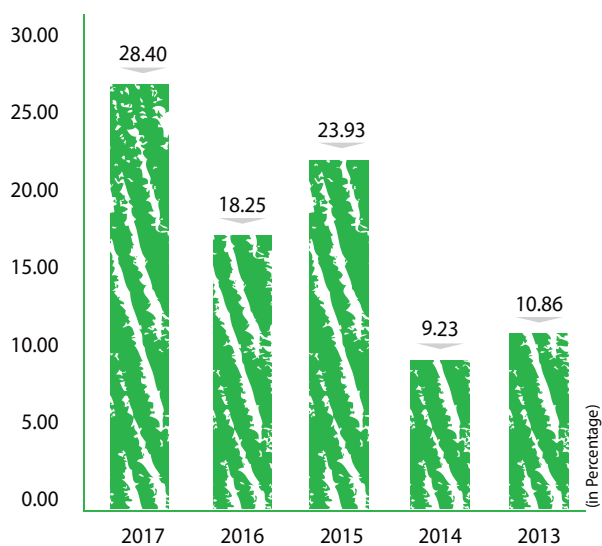
TOTAL INCOME



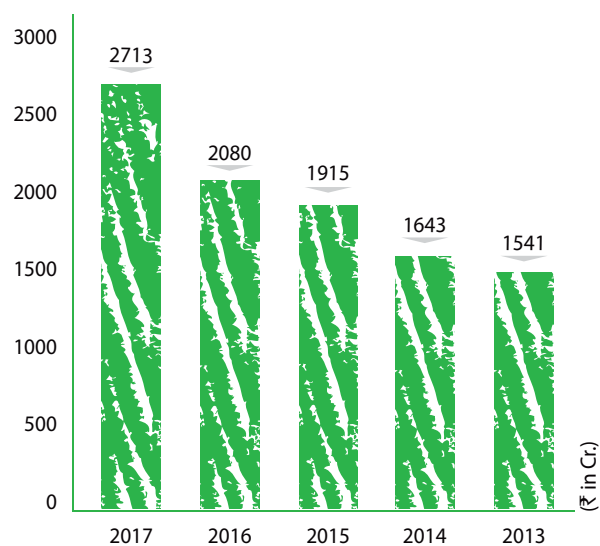
PROFIT BEFORE TAX (PBT)



RETURN ON CAPITAL EMPLOYED (ROCE)



TOTAL CLIENT ASSETS



Dear Shareholders,

The financial year 2017 completes 25 years of our journey of delivering value to you and helping investors meet their financial goals, while maintaining the highest levels of integrity. We have come a long way traversing through the various vicissitudes of the market, yet generating wealth for our investors and clients remains the guiding principle imbibed in our roots.

It's a fascinating time that we are living in. Self-driving cars, artificial intelligence, deliveries by drone, and disrupting technologies that are making lives easier and convenient for us.

Today, thanks to technology, reaching out to people and making the markets available to them has become much easier. Access to information, transparency and right tools has made investing more meaningful for them. We are humbled at the opportunity to lead Arihant forward in this new "smart" age.

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

I am pleased to inform you that these guiding principles have helped us to deliver a strong performance in FY2017. During the financial year your company's total income stood at ₹86.95 crore and reported a profit after tax of ₹16.69 crore. Our focus on distribution, incrementing value proposition to existing clients, focus on widening our network and, of course, support from stock market buoyance has helped us in recording a strong growth in our topline and bottomline.

Over the years, I've been reiterating my belief in India's growth story and I am confident that the best times are yet to come. We are already witnessing the global economic order shifting towards emerging economies in the recent times. With the strong reforms already in order, the value is yet to unlock and there is a huge potential both for the investors and for us as a company to grow.

Indian mutual fund industry is undergoing a very exciting phase with the average assets under management surpassing 19.92 lakh crore in June, 2017 - a three fold increase in past 5 years. Interesting to note is the fact that small towns contribution to mutual fund's asset base surged 46% owing to aggressive campaigns by SEBI and AMFI signifying the increased penetration of the equity asset class among domestic investors. This has reduced historical dependence on foreign institutional investors reducing market volatility. With the advent of technology and increased awareness, the share of household in the domestic equity markets is going to increase. It will not only provide the much-needed fillip capital to domestic companies to increase their business operations and support the equity markets, it also offers us a huge opportunity to grow.

I believe that in this journey we are always learning new things, improving everyday and building new relationships. It's always work-in-progress. As I feel nostalgic reminiscing about the past 25 years of our journey, I am ready to embrace the future. I installed a strong and experienced leadership team to propel our business. Our unique strategic position based on client first approach, a rich experience of 25 years in the industry, a diversified product range and a young team is poised to drive considerable growth in the coming years. I am geared up to take the next leg of journey forward.

The industry may be crowded today with incumbents and disruptors trying to do the same, but we have something that many of the others don't right intent, strong network and deeper understanding of the business.

We've set the bar high but we are confident about the future. I take this opportunity to thank you for your continued support, acknowledge the commitment and hard work of the complete Arihant family who has made this successful journey possible, to our customers for instilling trust in us and the regulators and all the stakeholders for their support.

ASHOK KUMAR JAIN
Chairman & Managing Director



MILESTONES



1992

1995



2004



1996

2000



2003



2001



2002

2016



Established
unit in Gift City



NSDL Star Performer Award
'Top Performer In
New Accounts Opened'

2015



NSDL Star Performer Award
'Top Performer In
New Accounts Opened'

2014



Launched Arihant Residency-
affordable housing project



NSDL Star Performer Award
'Top Performer In
New Accounts Opened'



Issued
bonus shares



Launch of Mobile
Trading Services



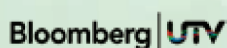
NSDL Star
Performer Award
'Top Performer in
Active Accounts'

2013

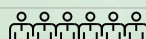
2011



Ranked in Forbes Asia
'200 Best under a \$ Billion' List



Awarded 'Best Emerging Commodities
Broker of India' by Bloomberg UTV



Crossed 1 Lakh Customers



First Public Issue handled by Arihant MBD

2005



Launch of
Internet Trading
Platform



Launch of currency
derivatives &
interest rate
futures trading

2008



Arranger of
NHAI and
REC bonds

2009

2010

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ARIHANT CAPITAL AT A GLANCE

For last **25 years**, Arihant Capital has been in the business of helping people create and grow wealth. Today we are proud to be one of India's leading diversified financial services company providing a range of financial products and services to a diverse range of clients including individuals, institutions and corporates.

At Arihant we want to make financial products and services easily understandable and accessible to all. With your support and trust in us, we have expanded our network in over 175 cities serving over 1.30 lac customers through 750+ investment centres across India.

PRODUCTS & SERVICES

Equities and Derivatives	Priority Client Group Services
Commodities	Online and Mobile trading
Currency	Depository Services
Mutual Funds Advisory	Real Estate
IPO, Bonds (including NHAI, REC, NABARD)	Merchant Banking (Category I)

CREATING VALUE FOR EACH STAKEHOLDER



SHAREHOLDERS
From day one our goal has been clear – we want to generate sustainable long-term returns for our shareholders who have supported us and helped us be where we are today.



CLIENTS
We aim to provide superior services to help customers and clients create, preserve, and grow wealth in a sustainable way. Our client's growth is always our top priority.



EMPLOYEES
Cultivating a work environment that encourages and challenges people to grow and learn is an important pillar of our foundation.



COMMUNITIES
Employment in over 175 cities across India in which we operate, delivering social inclusion, empowering people through investment education seminars and financially supporting social causes is our way of giving back to the community who has helped us build and grow.

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Ashok Kumar Jain
(Chairman and Managing Director)

Mrs. Anita Surendra Gandhi
(Whole Time Director)

Mr. Sunil Kumar Jain

Mr. Akhilesh Rathi

Mr. Parag Rameshbhai Shah

Mr. Pavan Kumar Ved

Mr. Ashish Maheshwari

AUDITORS

M/s Arora, Bantia & Tulsiyan
Chartered Accountants

6th Floor, Silver Arc Plaza,
20/1 New Palasia,
Indore – 452001 (MP)

T. +91-731- 2534318

F. +91-731-2433519

REGISTRAR & TRANSFER AGENT

Ankit Consultancy Pvt. Ltd.

Plot No. 60, Electronic
Complex Pardeshipura,
Indore – 452 010 (M.P.)

T. +91-731-2551745

F. +91-731-4065798

COMPANY SECRETARY

Mr. Mahesh Pancholi

CHIEF FINANCIAL OFFICER

Mr. Tarun Goyal

ADMINISTRATIVE OFFICE

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

F. +91-731-3016199

REGISTERED OFFICE

E/5 Ratlam Kothi Area,
Indore – 452001 (MP)

T. +91-731-2519610

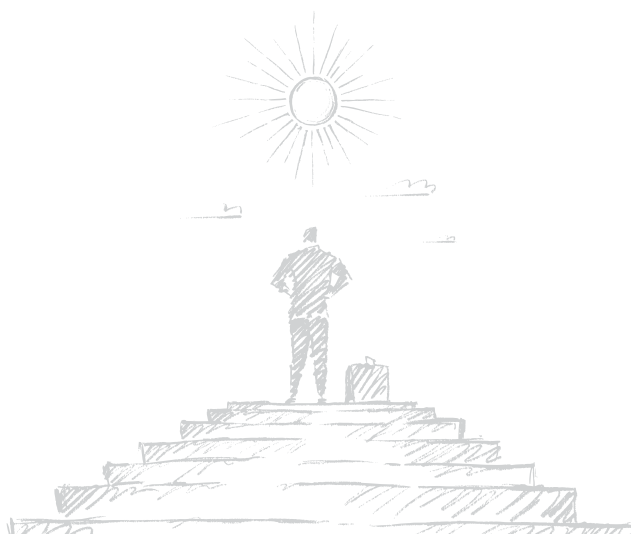
F. +91-731-3048915

CORPORATE OFFICE

1011, Solitaire Corporate Park,
Building No. 10, 1st Floor, Andheri
Ghatkopar Link Road, Chakala,
Andheri (East), Mumbai – 400093

T. 022-42254800

F. 022-42254800



Notice

Notice is hereby given that the **TWENTY FIFTH ANNUAL GENERAL MEETING (AGM)** of the Members of **ARIHANT CAPITAL MARKETS LIMITED (CIN:L67120MP1992PLC007182)** will be held on **Saturday, 9th September, 2017 at 12:30 P.M. at Lemon Tree Hotel, 3, R.N.T. Marg, Indore (M.P.) - 452001**, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement of the Company (including Audited Consolidated Financial Statements) for the financial year ended March 31st, 2017, and the Reports of the Board of Directors and Auditors Report thereon.
2. To declare Dividend for the Financial Year 2016-17.
3. To appoint a Director in place of Mrs. Anita Surendra Gandhi (DIN: 02864338), who retires by rotation and being eligible offers herself for re-appointment.
4. **Appointment of Statutory Auditors 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 pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof), M/s Dinesh Ajmera & Associates (Firm Registration No. 011970C), be and are hereby appointed as the Statutory Auditors of the Company (in place of M/s Arora, Banthia & Tulsiyan, Chartered Accountants (Firm Registration No. 007028C), Statutory Auditors of the Company retiring at the conclusion of this Annual General Meeting) for a period of 5 years i.e. from the conclusion of this 25th Annual General Meeting till the conclusion of 30th Annual General Meeting of the Company, subject to annual ratification by the shareholders at every Annual General Meeting and at such remuneration as may be fixed by the Board of Directors of the Company on the recommendation of the Audit Committee.”

SPECIAL BUSINESS

5. **Regularisation of Additional Independent Director, Mr. Ashish Maheshwari**

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

“RESOLVED THAT Mr. Ashish Maheshwari (DIN: 00185949), who was appointed by the Board of Directors as an Additional Independent Director of the Company with effect from 27th May, 2017 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 (“Act”) but who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company.”

6. **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 a 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 ₹ 200 Crore (Rupees Two Hundred Crore only) over and above the paid up share capital and free reserves for the time being of the Company.”

7. **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 a 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 ₹ 200 Crore (Two 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

Place: Indore

Dated: 25th July, 2017

**Mahesh Pancholi
(Company Secretary)
M. No. F7143**