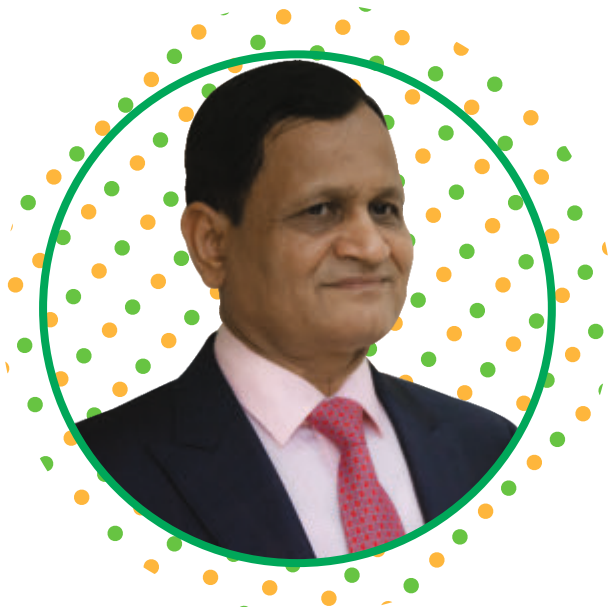


GROW INDIA GLOW INDIA

ANNUAL REPORT 2018-2019



CHAIRMAN'S MESSAGE



“

Despite the volatility in the markets, your Company's total income for the year stood at ₹ 103.71 crores while profit after tax was ₹ 19.02 crores. We're confident our approach can help people take ownership of their financial future.

”

Dear Shareholders,

On behalf of Arihant Capital Markets Limited and its Board of Directors, I am delighted to present before you the 27th Annual Report of the Company.

The new financial year has started with the Modi government returning to power with a thunderous majority voicing an ambitious target to make India a \$5 trillion economy by 2024. A strong mandate at the Centre makes a strong case for stability and clarity in policy outlook and long-term reforms substantiating our theme of Growing India, Glowing India.

India's economy witnessed a cyclical downturn for the financial year 2019, as GDP contracted to 6.5% in second half of 2018-19 below its long-term trend of 7%. Consumption demand, which was the bulwark of the economy, had also weakened and private investment did not show signs of pickup. Default by IL&FS led to significant correction in NBFCs on fears of liquidity concerns and ALM mismatch for some of the NBFCs. Trade war woes, and election uncertainty led to sell off by foreign portfolio investors keeping Dalal Street nervous & volatile in the beginning of new financial year (2019-20). However, as the Fed turned dovish & US 10 year bonds started cooling off, foreign investors took a u-turn reversing sentiments. Despite the roller coaster year, overall the benchmark index Nifty 50

delivered positive returns during the financial year 2019 closing at 11623 levels, up 14.50% YoY ending up with good return to the investors.

Growth is expected to remain weak in the first half of 2020 on weak consumption demand and export income. The rising figures of GST collection and constant growth in direct tax to GDP ratio are welcome for the Indian economy. We expect the inflation framework (low food prices and positive real rates), fiscal consolidation, infrastructure spending, FDI focus and strong external affair policies should help revive growth in second half of 2019-20. However, a below normal monsoon, spike in oil prices and global trade disputes, are the key risks that could dampen the growth outlook.

I am pleased to inform you that **despite the volatility in the markets, your Company's total income for the year stood at ₹ 103.71 crores as compared to ₹ 102.44 crores, while profit after tax was ₹ 19.02 crores as compared to ₹ 20.66 crores** previous year respectively.

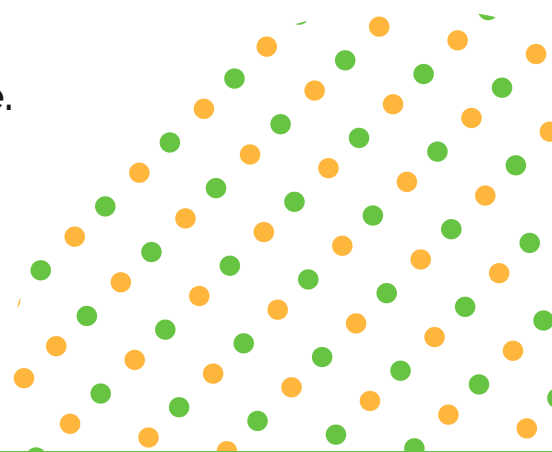
Board of Directors have recommended a dividend of ₹ 0.75 per share (15%) for the year, in line with the growth prospects of the Company.

We remain committed to our vision of servicing clients by offering the apt financial solutions and right advice that will help to create value for our investors and customers. In this context, we are continuously focusing on expanding our bouquet of financial solutions and improving our digital offerings to provide a holistic experience. Our business model is relatively simple. It revolves around the thumb rule that if we treat prospective and existing clients the way we would want to be treated, they will choose to build a relationship with us and do more business with us.

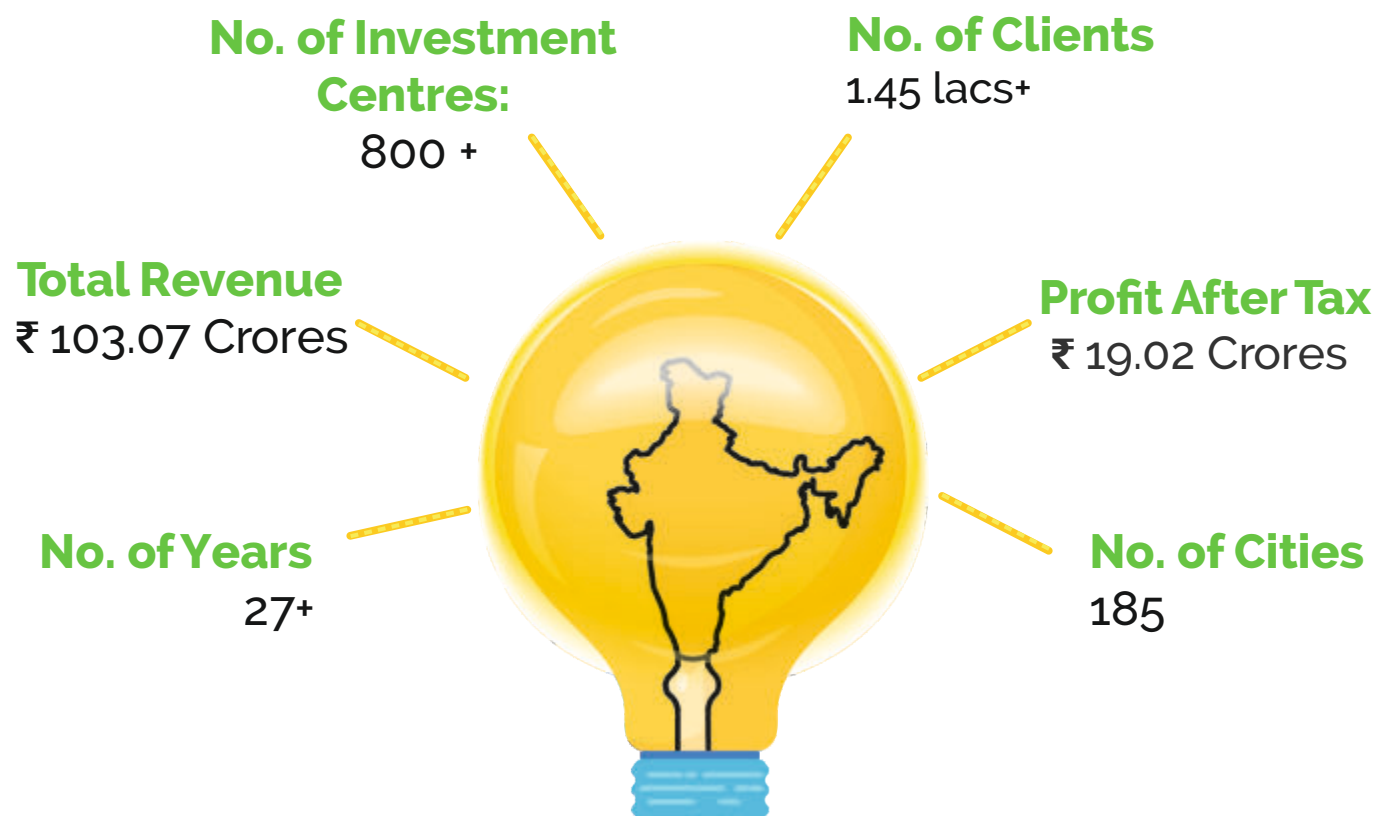
We have adhered to a deeply held set of principles since our inception, and as owners, you can be confident that these principles define what we do every day at your Company. We're confident our approach can help people take ownership of their financial future.

Thank you for your ongoing trust and confidence.

Ashok Kumar Jain

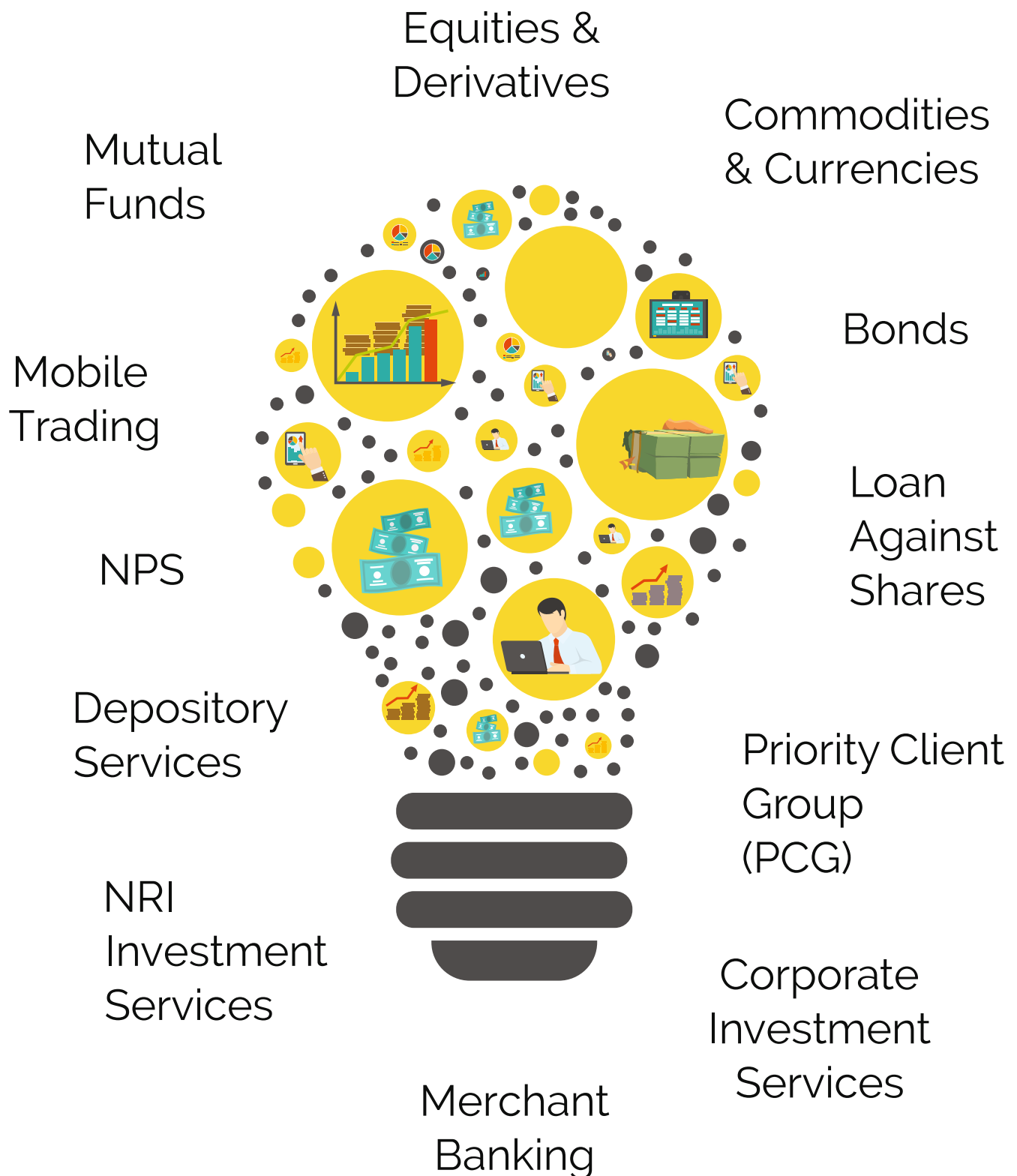


Growing Arihant Glowing Arihant



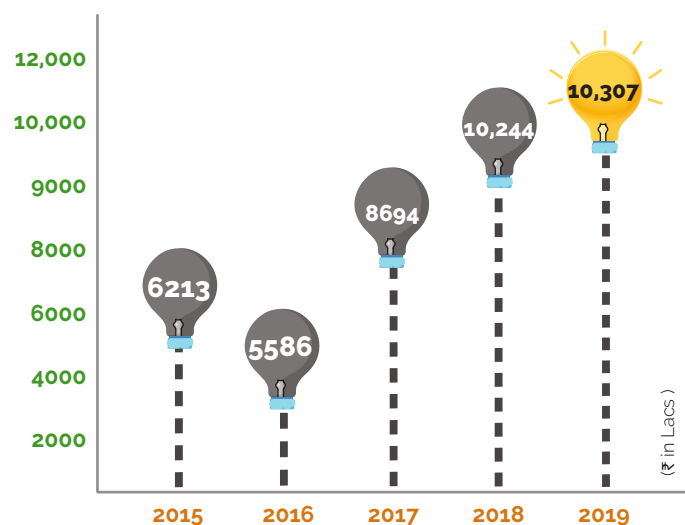
ArihantCapital
Generating Wealth

Our Offerings

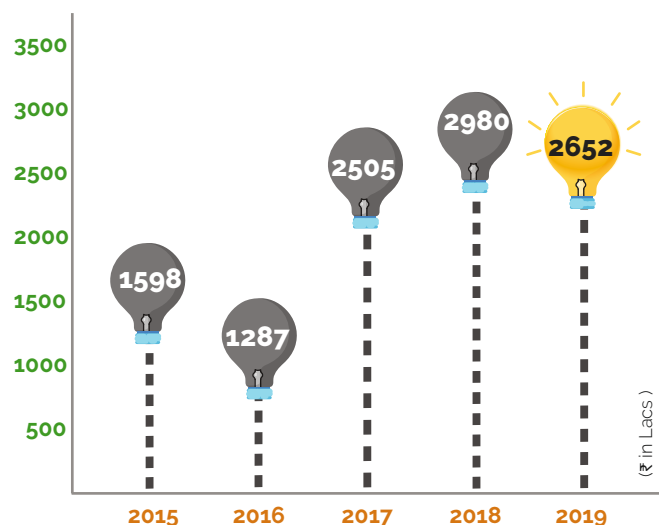


Consolidated Performance Highlights

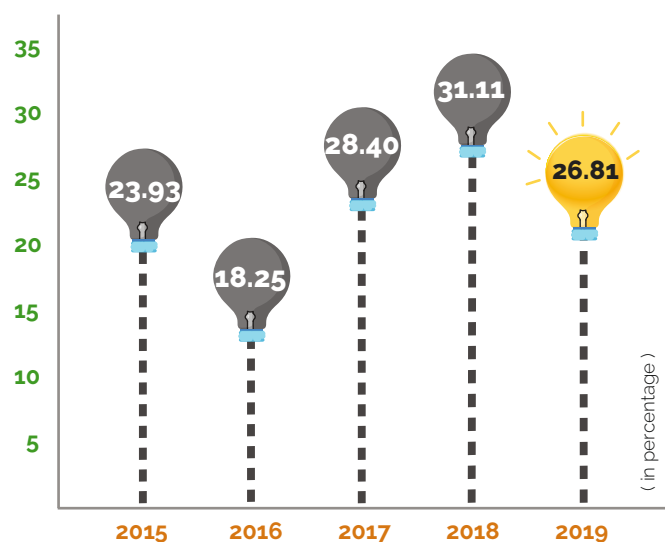
Total Income



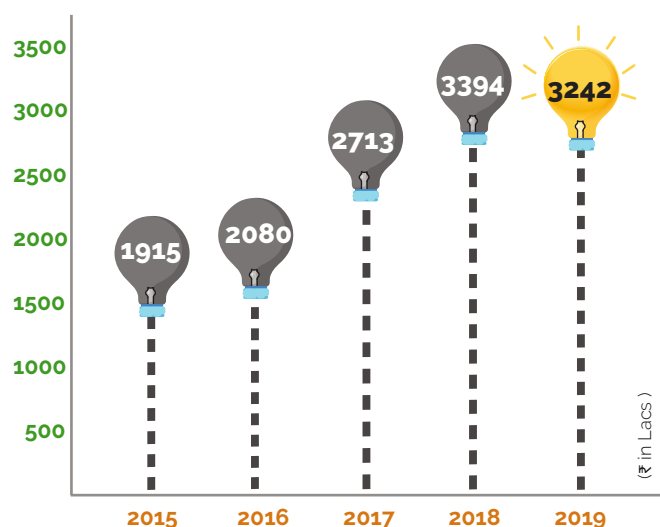
Profit Before Tax



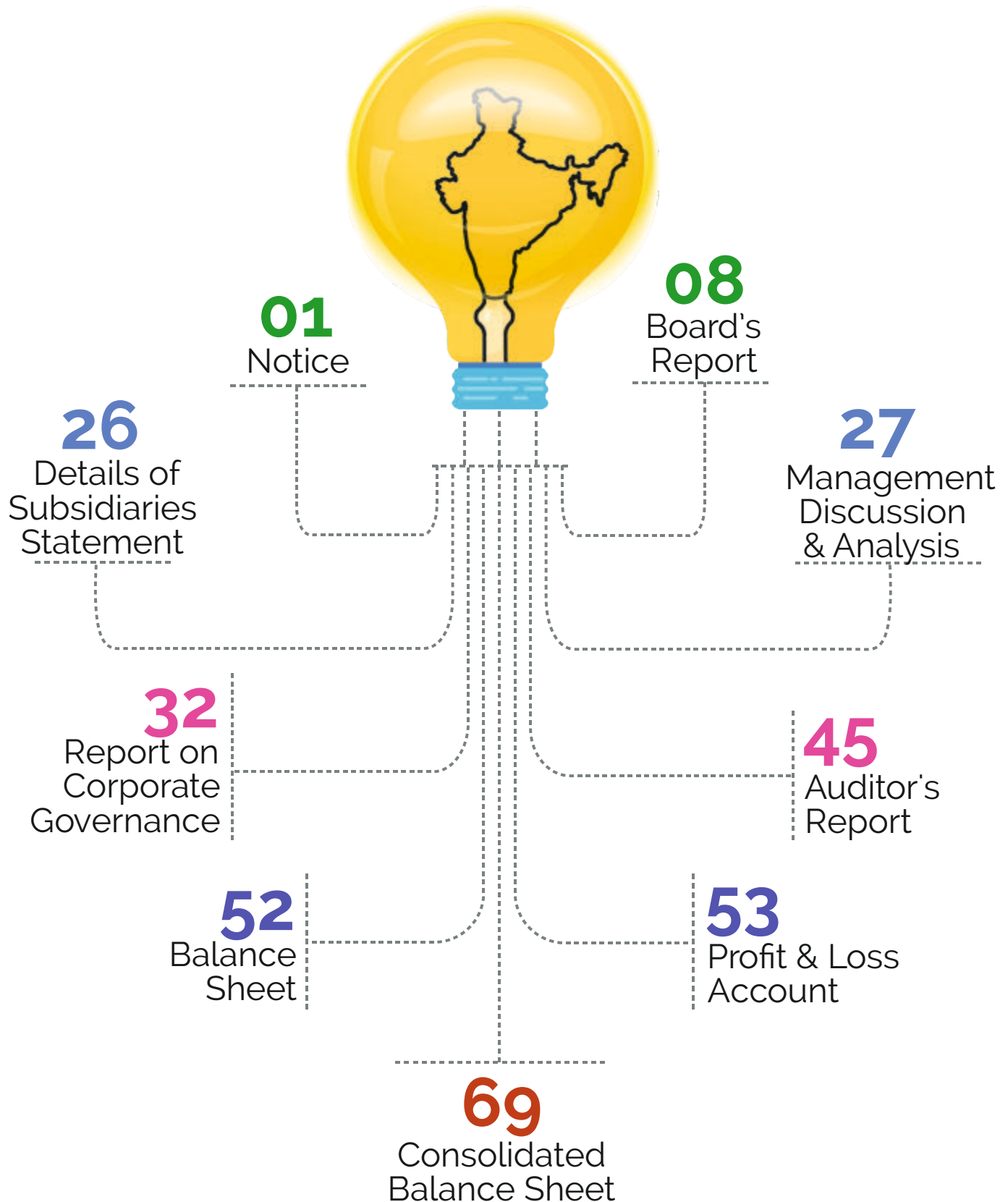
Return on capital employed (ROCE)



Total Client Assets



INDEX



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. Ashish Maheshwari



AUDITORS

M/s Dinesh Ajmera & Associates

Chartered Accountants

901, Scheme No. 114, Part-1,

A. B. Road,

Indore – 452001 (MP)

Mobile No. 9826868011



REGISTERED OFFICE

E/5 Ratlam Kothi Area,

Indore – 452001 (MP)

T. +91-731-2519610

F. +91-731-3048915



REGISTRAR & TRANSFER AGENT

Ankit Consultancy Private Limited

Plot No. 60, Electronic Complex

Pardeshipura,

Indore – 452 010 (M.P.)

T. +91-731-2551745

F. +91-731-4065798



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



CORPORATE OFFICE

1011, Solitaire Corporate Park, Building

No. 10, 1st Floor, Andheri Ghatkopar

Link Road, Chakala, Andheri (East),

Mumbai – 400093

T. 022-42254800

F. 022-42254899



DP OFFICE

601, Atlantis Tower, 13-A,

Scheme No. 78, Part II,

Indore – 452010 (M.P.)

T. 0731-4217100

F. 0731-4217199



Email: compliance@arihantcapital.com

Visit us at: www.arihantcapital.com

NOTICE

Notice is hereby given that the **TWENTY SEVENTH ANNUAL GENERAL MEETING (AGM)** of the members of **ARIHANT CAPITAL MARKETS LIMITED (CIN:L67120MP1992PLC007182)** will be held on **Monday, 5th August, 2019 at 12:30 P.M.** at **LemonTree 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 31, 2019 and the Reports of the Board of Directors and Auditors Report thereon.
2. To declare Dividend for the Financial Year 2018-19.
3. To appoint a director in place of Mr. Sunil Kumar Jain (DIN: 00184860), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

4. **To re-appoint Mr. Akhilesh Rathi (DIN: 02002322) as an Independent Director for second term.**

To consider and if thought fit, to pass the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act and Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the consent of the members of the Company be and is hereby accorded to re-appoint Mr. Akhilesh Rathi (DIN: 02002322), as an Independent Director of the Company from the date of expiry of his first term till March, 2024 and he shall not be liable to retire by rotation, who has submitted a declaration that he meets the criteria of independence as provided in Section 149 of the Act.

FURTHER RESOLVED THAT the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things and give such directions as may be necessary, in the best interest of the Company, for giving effect to the aforesaid Resolution, including but not limited to signing and execution of necessary forms and documents as may be deemed necessary and expedient in its discretion.”

5. **To re-appoint Mr. Parag Rameshbhai Shah (DIN: 00512469) as an Independent Director for second term.**

To consider and if thought fit, to pass the following Resolution as a Special Resolution:

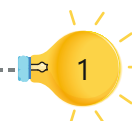
“RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act and Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the consent of the members of the Company be and is hereby accorded to re-appoint Mr. Parag Rameshbhai Shah (DIN: 00512469), as an Independent Director of the Company from the date of expiry of his first term till March, 2024 and he shall not be liable to retire by rotation, who has submitted a declaration that he meets the criteria of independence as provided in Section 149 of the Act.

FURTHER RESOLVED THAT the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things and give such directions as may be necessary, in the best interest of the Company, for giving effect to the aforesaid Resolution, including but not limited to signing and execution of necessary forms and documents as may be deemed necessary and expedient in its discretion.”

6. **To appoint Mr. Ashish Maheshwari (DIN: 00185949) as an Independent Director**

To consider and if thought fit, to pass with or without modification, the following Resolution as a Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and as per SEBI (LODR) Regulations, 2015, Mr. Ashish Maheshwari (DIN: 00185949) who was appointed as an Non



Executive - Independent Director in the Board Meeting held on 27th May, 2017 subsequently regularized at the Annual General Meeting held on 09th September, 2017 and pursuant to regulation 17(1A) of Securities Exchange Board of India (Listing Obligation and Disclosure Requirement) (Amendment) Regulations 2018, be and is hereby approved to continue his office as a Independent Director, of the Company from the date of his appointment till March, 2022 and he shall not be liable to retire by rotation, has submitted a declaration that he meets the criteria of independence as provided in Section 149 of the Act.

By the order of the Board of Directors

Mahesh Pancholi
(Company Secretary)
M. No. F7143

Place: Indore

Dated: 21/05/2019

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND THE MEETING AND POLL/VOTE ON HIS/HER BEHALF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as a proxy on behalf of not exceeding 50 members and holding in aggregate not more than 10% of the total share capital of the Company. Further, a Member holding more than 10% of total share capital of the company carrying voting rights may appoint a single proxy and such person shall not act as proxy for any other person or member.
2. The instrument appointing the proxy, duly completed however in order to be effective, should be deposited at the registered office of the Company not less than 48 hours before the meeting. A proxy form for the AGM is enclosed.
3. Explanatory Statement pursuant to section 102 of the Companies Act, 2013 forms part of this Notice.
4. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the directors seeking appointment / re-appointment at the AGM, is furnished as annexure to the Notice. The directors have furnished consent / declaration for their appointment / re-appointment as required under the Companies Act, 2013 and the Rules there under.
5. Pursuant to the provisions of section 91 of the Companies Act, 2013, the register of members and share transfer books of the Company will remain closed from Tuesday, 30th July, 2019 to Monday, 5th August, 2019 (both days inclusive) in connection with the AGM and the purpose of payment of dividend, if approved by the members.
6. The dividend as recommended by the Board, if declared at the meeting, will be paid on or after 12th August 2019 to the Members.
7. As per the SEBI Listing Regulations, 2015 the Company shall use any electronic mode of payments approved by the Reserve Bank of India for making payments to the Members. Where the dividend cannot be paid through electronic mode, the same shall be paid by warrants with bank accounts details printed thereon. In case of non availability of bank account details, address of the members will be printed on warrants.
8. In all correspondence with the company members are requested to quote their folio number and in case shares are held in electronic form, they should quote Client ID and DP ID Number.
9. The register of Director's and Key Managerial Personnel and their shareholding maintained under section 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
10. The register of Contracts or Arrangements in which the Directors are interested, maintained u/s 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
11. Members who hold shares in dematerialized form are requested to inform their Client ID and DP ID number for easier identification for attendance at the meeting.
12. Shareholders who are still holding physical share certificate(s) are requested to consider converting their holding to de-materialize

