

# **AAGAM CAPITAL LIMITED**

**CIN : L65990MH1991PLC064631**

**28TH ANNUAL REPORT**

**2019-20**

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Anil Kothari	-	Whole Time Director
Mr. Naresh Jain	-	Non-Executive Director
Mr. Suryakant Kadakane	-	Independent Director
Mrs. Preeti Doshi	-	Independent Director
Mr. Rajendra Redekar	-	Independent Director

### STATUTORY AUDITORS

M/s. Motilal & Associates, Chartered Accountants

### SECRETARIAL AUDITORS

Mr. Suprabhat Chakraborty, Practising Company Secretary

### BANKERS

Axis Bank Limited  
IndusInd Bank Limited

### REGISTRAR AND SHARE TRANSFER AGENT

M/s. Bigshare Services Private Limited  
1<sup>st</sup> Floor, Bharat Tin Works Building  
Opp. Vasant Oasis Makwana Road,  
Marol, Andheri(East), Mumbai - 400072.  
Tel : 02262638200  
Email : vinod.y@bigshareonline.com  
Web: www.bigshareonline.com

### REGISTERED OFFICE

Premises No.2, 1<sup>st</sup> Floor,  
Rahimtoola House, 7, Homji Street  
Fort, Mumbai – 400001.  
Tel : +91-7400186121  
Email id : aagamcltd@gmail.com  
Web: www.aagamcapital.com

Contents	Page No.
Notice	1-7
Directors Report	8-23
Management Discussion and Analysis Report	24-25
Independent Auditors Report	26-33
Balance Sheet	34
Statement of Profit and Loss	35
Cash Flow Statement	36
Notes forming parts of Accounts	37-62

**NOTICE**

Notice is hereby given that the 28th Annual General Meeting of the members of Aagam Capital Limited will be held on Wednesday, 30th Day of December, 2020 at 2:00 pm through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') facility to transact the following business :

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31st March, 2020 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Anil Kothari, who retires by rotation and being eligible offers himself for re - appointment.

**By Order of the Board of Directors**

**Sd/-**

**Anil Kothari**

**Whole Time Director**

**01991283**

**Date :- 09.11.2020**

**Place :- Mumbai**

**NOTES :**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and such proxy need not be a member. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM facility, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the e-AGM and hence the Proxy Form, Route Map and Attendance Slip are not annexed to this Notice. The deemed venue for 28th e-AGM shall be the Registered Office of the Company at Fort, Mumbai - 400001.
2. Institutional/Corporate shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (pdf/jpg format) of its board or governing body's resolution/authorization, etc., authorizing their representative to attend the e-AGM on its behalf and to vote through remote e-voting. The said resolution/authorization shall be sent to the scrutinizer by email through its registered email address to suprabhatcs08@gmail.com with a copy marked to aagamcltd@gmail.com. Institutional investors, who are members of the company are encouraged to attend and vote at the 28th e-AGM of the Company.
3. Brief details of the director, who is being re-appointed, is annexed hereto as per requirements of regulation 36(3) of the SEBI Listing Regulations and as per provisions of the Companies Act.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 24th December, 2020 to 30th December, 2020 (both days inclusive) for the purpose of Annual General Meeting.
5. The facility of joining the e-AGM through VC/OAVM will be opened 15 minutes before and will be open upto 15 minutes after the scheduled start time of the e-AGM, i.e. from 1.45 to 2.15 pm and will be available for 1,000 members on a first come first-served basis. This rule would however not apply to participation of shareholders holding 2% or more shareholding, promoters, institutional investors, directors, key and senior managerial personnel, auditors, etc. Institutional investors, who are members of the Company are encouraged to attend and vote at the e-AGM of the Company.
6. SEBI vide its notification dated 8 June 2018 as amended on 30 November 2018, has stipulated that w.e.f. 1 April 2019, the transfer of securities (except transmission or transposition of shares) shall not be processed, unless the securities are held in the dematerialized form. The Company has complied with the necessary requirements as applicable, including sending of letters to shareholders holding shares in physical form and requesting them to dematerialize their physical holdings.
7. SEBI has mandated the submission of Permanent Account Number (PAN) by every person dealing in securities market. Members holding shares in electronic form are therefore, requested to submit the PAN to their depository participants with

whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to Bigshare Services Private Limited.

8. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the company or Bigshare Services Private Limited for assistance in this regard.
9. With a view to enable the Company to serve the members better, members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings in one folio.
10. Members who would like to ask questions/express their views on the items of the businesses to be transacted at the meeting can send in their questions/comments 7 days in advance before AGM to the company mentioning their name, demat account no./Folio no., e-mail Id, mobile number, etc. The queries may be raised precisely and in brief to enable the company to answer the same suitably depending on the availability of time at the meeting.
11. In case of joint holders attending the AGM, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
12. Members can avail the nomination facility, under Section 72 of the Companies Act, 2013 by submitting Form No. SH.13 as per Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 with the Company which is available on the website of the Company i.e [www.aagamcapital.com](http://www.aagamcapital.com).
13. Non-Resident Indian members are requested to inform Company's Registrar and Share Transfer Agent, Bigshare Services Private Limited, immediately of :
  - (a) Change in their residential status on return to India for permanent settlement.
  - (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number, IFSC code and address of the bank with pin code number, if not furnished earlier.
14. The Notice of the 28th Annual General Meeting along with the Annual Report for F.Y 2019-20 is being only sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories. Further, those members who have not registered their email addresses and in consequence could not be served the Annual Report for FY 2019-20 and Notice of 28th e-AGM, may temporarily get themselves registered with Bigshare Services Pvt Ltd, through email on [vinod.y@bigshareonline.com](mailto:vinod.y@bigshareonline.com) or receiving the same. Members are requested to support our commitment towards environment protection by choosing to receive the company's communication through email. Members may note that this Notice and the Annual Report for F.Y 2019-20 will also be available on the company's website viz. [www.aagamcapital.com](http://www.aagamcapital.com) and on website of the stock exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com).
15. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registering of nomination, power of attorney registration, Bank Mandate details, etc., to their DPs in case the shares are held in electronic form and to the Registrar at [vinod.y@bigshareonline.com](mailto:vinod.y@bigshareonline.com) in case the shares are held in physical form, quoting your folio no.
16. The attendance of the members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
17. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the SEBI Listing Regulations and the circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the company is providing facility of remote e-voting to its members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system on the date of the AGM will be provided by NSDL. The instructions for e-voting are given herein below. Resolution(s) passed by members through e-voting is/are deemed to have been passed as if they have been passed at the Annual General Meeting.

18. The Board of Directors of the Company have appointed Mr. Suprabhat Chakraborty, (Membership No.41030, C.P No.15878) Practicing Company Secretaries as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.
19. The voting period begins on 27th December, 2020 at 10.00 AM and ends on 29th December, 2020 at 5.00 PM. 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 23rd December, 2020 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.
20. In case a person becomes a member of the company after dispatch of e-AGM notice and is a member as on the cut-off date for e-voting, i.e. Wednesday, 23rd December, 2020 such person may obtain the user id and password from nsdl by email request on evoting@nsdl.co.in.
21. The instruction for members for remote e-voting are as under..

The voting period begins on 27th December, 2020 at 10.00 A.M. and ends on 29th December, 2020 at 5.00 PM 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 23rd December, 2020 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.

How do I vote electronically using NSDL e-voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1 : **Log-in to NSDL e-Voting system at** <https://www.evoting.nsdl.com>

Step 2 : **Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 are mentioned below :**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

**4. Your User ID details are given below :**

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

**5. Your password details are given below:**

- a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c. How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit Client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
3. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) "Physical User Reset Password" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
4. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
5. Now, you will have to click on "Login" button.
6. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 are given below:**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After clicking on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-voting as the voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [suprabhatcs08@gmail.com](mailto:suprabhatcs08@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password" or "Physical User Reset Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact on toll free no: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholder/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at (company email id)..

22. The notice of Annual General Meeting will be sent to the members, whose names appear in the register of members / depositories as at closing hours of business, on 27th November, 2020.
23. The results shall be declared after the AGM of the Company. The results declared along with the Scrutinizer's Report shall be placed on the website of the company [www.aagamcapital.com](http://www.aagamcapital.com) and will also be communicated to the Stock Exchanges.

**By Order of the Board of Directors**

**Sd/-**

**Anil Kothari**

**Whole Time Director**

**01991283**

**Date :- 09.11.2020**

**Place :- Mumbai**



**Annexure to the Notice Calling 28th Annual General Meeting  
Details of Directors seeking appointment / re-appointment at the Annual General Meeting**

<b>Name of Director</b>	<b>Mr. Anil Kothari</b>
DIN	01991283
Date of Birth	03/08/1969
Date of Appointment	28/05/2013
No. of Shares Held	Nil
Qualification	B.Com
Disclosure of Relationship between Directors	None
Expertise in specific functional area	Rich experience in the field of Capital Markets , Real Estate and Finance.
Category	Executive Director Liable to retire by rotation.
Directorship in other Public /Listed Companies	1. MPF Systems Limited
Chairmanship/Membership of Committee in which he hold Directorship	Aagam Capital Ltd Member of Audit & Stakeholder Relationship Committee

**DIRECTOR'S REPORT**

Dear Members,

Your Directors take pleasure in presenting the 28th Annual Report of the Company together with the Audited Financial Statements for the financial year ended 31st March, 2020.

**1. FINANCIAL PERFORMANCE****(Amount In Rs.)**

<b>Particulars</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
Total Income	15,43,523	17,98,582
Total Expenditure	10,53,142	11,55,293
Profit before exceptional and extraordinary items and tax	4,90,381	6,43,290
Less: Exceptional item	-	-
Profit before extraordinary items and tax	4,90,381	6,43,290
Tax	6,186	44,75,943
Net Profit/(Loss) After Tax	4,84,195	(38,32,653)

**2. OPERATIONS**

The net profit for the period ended 31st March,2020 is Rs. 4,84,195 as against loss of Rs. 38,32,653 during previous year. The total income of the company decreased from Rs. 17,98,582 to Rs.15,43,523. The EPS of the company for the year under review is Rs. 0.10. Your directors expects and will make more efforts to improve the performance of the company during the current year as compared to previous year.

**3. DIVIDEND**

Your directors do not recommend any dividend during the year under review.

**4. AMOUNT TRANSFERRED TO RESERVE**

A company has transferred a sum of Rs.96,839 to Special Reserve Account in compliance with the RBI Act, 1934.

**5. DEPOSITS**

The company has not accepted any public deposits under the provisions of the Companies Act, 2013 ('Act').

**6. SHARE CAPITAL**

As on 31 March 2020, paid-up share capital of the Company stood at Rs. 5.00 crore consisting of 50,00,000 equity shares of face value of Rs.10 each fully paid-up.

**7. SUBSIDIARIES / JOINT VENTURE / ASSOCIATE COMPANY**

Your company does not have any Subsidiary/ Joint Venture and Associate Companies.

**8. SECRETARIAL STANDARDS OF ICSI**

The Company has complied with the requirements prescribed under the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2).

**9. STATE OF AFFAIRS OF THE COMPANY**

Granting of loans and advances and making investments is the core area of operations of the company. The Board of Directors of your company carries out these operations with active care and all essentials precaution thereby enhancing stakeholders values.

**10. COMPOUNDING OF OFFENCES**

The violation mentioned in the show cause notices issued to the company pursuant to inspection by the regional director under section 206(5)/207 are compoundable in nature and hence the Board of Directors of the Company have file compounding application before concern authorities i.e. Regional Director/ National Company Law Tribunal and awaiting for an order from the aforesaid authorities .

**11. CHANGE IN THE NATURE OF BUSINESS, IF ANY**

There was no change in the nature of business of the company during the year.

**12. MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There were no material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year of the company and the date of this Report.

**13. CORPORATE SOCIAL RESPONSIBILITY**

The provisions of section 135 of the Companies Act,2013 are not applicable to the company.

**14. DIRECTORS AND KEY MANAGERIAL PERSONNEL****(i) Change in Directorate**

During the year under review there was no change in the Board of Directors of the Company.

**(ii) Directors liable to retire by rotation**

Mr. Anil Kothari, Whole Time Director (DIN: 01991283) retires by rotation at the ensuing AGM, being eligible, offers himself for re-appointment. Necessary details for re-appointment as required under the Act and the SEBI Listing Regulations is given in the notice of 28th AGM.

**(iii) Key Managerial Personnel**

Mr. Harsh Choubisa, Company Secretary and Compliance Officer of the company resigned from the said post with effect from 19th August,2019.

**15. BOARD EVALUATION**

The Board has carried out an annual performance evaluation of its own , the Independent Directors, Committee and other Individual Directors. The details of performance evaluation have been made available on the Website of the Company i.e. [www.aagamcapital.com](http://www.aagamcapital.com).

**16. POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION**

The current policy is to have an appropriate mix of executive, non-executive and independent directors to maintain the independence of the board and separate its functions of governance and management.The remuneration paid to directors if any is recommended by the Nomination and Remuneration Committee and approved by Board of Directors and Shareholders of the Company. The remuneration is decided after considering various factors such as qualification, experience, performance, responsibilities shouldered, industry standards as well as financial position of the Company. The policy of the company on director's appointment and remuneration is available on the website of the company i.e [www.aagamcapital.com](http://www.aagamcapital.com).

**17. COMMITTEES OF THE BOARD**

The company has the following three committees of the board :

- (i) Audit Committee
- (ii) Nomination and Remuneration Committee
- (iii) Stakeholders Relationship Committee

The composition of each of the above committees, their respective role and responsibility is in conformity with the provisions of the Companies Act,2013 and SEBI(LODR)Regulations,2015 and amendments made therein from time to time.

## 18. MEETING OF BOARD OF DIRECTORS

During the year under review, 6(Six) Board Meetings were held on 22.04.2019, 29.05.2019, 13.08.2019, 31.10.2019, 13.11.2019 and on 13.02.2020 . The intervening gap between the meetings did not exceed the period prescribed under the Act. The details of number of meeting attended by each directors are as follows :

Date of Meeting	Mr. Anil Kothari	Mr. Naresh Jain	Mr.Suryakant Kadakane	Mr. Rajendra Redekar	Mrs. Preeti Doshi
	Attendance at the Board Meeting				
22.04.2019	Yes	Yes	Yes	Yes	Yes
29.05.2019	Yes	Yes	Yes	Yes	Yes
13.08.2019	Yes	Yes	Yes	Yes	Yes
31.10.2019	Yes	Yes	Yes	Yes	Yes
13.11.2019	Yes	Yes	Yes	Yes	Yes
13.02.2020	Yes	Yes	Yes	Yes	No

## 19. MEETING OF INDEPENDENT DIRECTORS

The Independent Directors of the Company at their meeting held on 13th February, 2020 reviewed the performance of non- independent directors and the Board as a whole including the Chairman of the Company by taking into consideration views expressed by the executive directors and non-executive directors at various level pertaining to the quality, quantity and timeliness of flow of information between the company, management and the board have expressed their satisfaction.

## 20. DECLARATION BY THE INDEPENDENT DIRECTORS

The independent directors have submitted a declaration of independence, stating that they meet the criteria of independence provided under section 149(6) of the Act, as amended, and regulation 16 of the SEBI Listing Regulations.

The Board had taken on record the declaration and confirmation submitted by the independent directors regarding meeting the prescribed criteria of independence, after undertaking due assessment of the veracity of the same in terms of the requirements of regulation 25 of the SEBI Listing Regulations.

## 21. CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 15 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the compliance with the Corporate Governance provisions specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C,D and E of Schedule V shall not apply to the Company and hence the Corporate Governance Report does not forms part of this report.

## 22. RELATED PARTY TRANSACTIONS

All Related Party Transactions that were entered into during the financial year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Regulations. There were no materially significant Related Party Transactions made by the Company with Promoters, Directors, Key Managerial Personnel which may have a potential conflict with the interest of the Company at large. Hence there does not exists any details to be mentioned in Form AOC-2 which is attached as "**Annexure -I**".

All Related Party Transactions are placed before the Audit Committee for approval. The Company has adopted a Related Party Transactions Policy. The policy as approved by the board is uploaded on the Company's website at <https://www.aagamcapital.com>

**23. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The provisions of section 186 of the Companies Act, 2013 pertaining to investment and lending activities are not applicable to the company since the company is a Non Banking Financial Company ("NBFC").

**24. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report as stipulated under SEBI (Listing Obligations and Disclosure Requirements), 2015 forms part of this report.

**25. EXTRACT OF ANNUAL RETURN**

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the extract of the annual return for FY 2019-20 is given in "**Annexure - II**" in the prescribed Form No. MGT-9, which forms part of this report. Further, the extract to the Annual Return of the Company can also be accessed on the Company's website at <https://www.aagamcapital.com>.

**26. RISK MANAGEMENT POLICY**

The Board of Directors have adopted a risk management policy for the Company which provides for identification, assessment and control of risks which in the opinion of the Board may pose significant loss or threat to the Company. The Management identifies and controls risks through a defined framework in terms of the aforesaid policy.

**27. WHISTLE BLOWER POLICY / VIGIL MECHANISM**

The Company has a whistle blower policy encompassing vigil mechanism pursuant to the requirements of the section 177(9) of the Act and regulation 22 of the SEBI Listing Regulations. The Audit Committee reviews the functioning of the Whistle blower policy. The policy/vigil mechanism enables directors and employees to report to the management their concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy and leak or suspected leak of unpublished price sensitive information.

The whistle blower policy is uploaded on the website of the Company and can be accessed at <https://www.aagamcapital.com>.

**28. INTERNAL CONTROL SYSTEMS**

The internal financial controls of the Company are commensurate with its size, scale and complexity of operations. The company has policies and procedures which inter alia ensure integrity in conducting business, timely preparation of reliable information, accuracy and completeness in maintaining accounting records and prevention and detection of frauds and errors. The Audit Committee actively reviews the adequacy and effectiveness of the internal financial control systems and suggests improvements if any to strengthen the same.

**29. DIRECTOR'S RESPONSIBILITY STATEMENT**

In compliance of section 134(5) of the Act, the directors state that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for FY2020.
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) they have prepared the annual accounts on a going concern basis.

- (v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

### 30. STATUTORY AUDITORS AND HIS REPORT

M/s. Motilal & Associates, Chartered Accountants (Firm Reg. No. 106584W), were appointed as Statutory Auditors of the Company till the conclusion of the Thirty First Annual General Meeting to be held in the year 2023. As per the provisions of Section 139 of the Act, they have confirmed that they are not disqualified from continuing as Auditors of the Company. The Audit Report of M/s. Motilal & Associates on the Financial Statements of the Company for the Financial Year 2019-20 forms part of this Annual Report. The report does not contain any qualification, reservation, adverse remark or disclaimer.

### 31. SECRETARIAL AUDITOR AND HIS REPORT

Pursuant to the provisions of section 204 of the Act, the Board has appointed Mr. Suprabhat Chakraborty, practising company secretary (C.P. No. 15878), to undertake secretarial audit of the Company.

A report from the secretarial auditor in the prescribed Form MR-3 is annexed as “Annexure – III” to this Report. The report contain the following Observations:

- 1) **The Company Secretary and Compliance Officer had resigned from his post on 19.11.2019. The Board has not appointed any Company Secretary and Compliance Officer to occupy the vacate position till 31st March,2020.**

Management would like to state that the company is looking for suitable candidate for Company Secretary post.

- 2) **The Company has not paid Annual Listing Fees and trading in Bombay Stock Exchange has been suspended.**

Management would like to state that the trading in the script of the Company was suspended abruptly by BSE without giving proper notice. The Stock Exchange has not raised any invoice towards listing fees after suspending the trading. The matter is being contested by the company with BSE and waiting for final order

In addition to the above and pursuant to SEBI circular dated 8 February 2019, a report on secretarial compliance by Mr. Suprabhat Chakraborty for FY2019-20 has been submitted with stock exchange.

### 32. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE COURTS / REGULATORS

During year, no significant and material orders were passed by any regulator or court or tribunal impacting the going concern status and Company's operations in future.

### 33. PARTICULARS OF EMPLOYEES

Considering the provisions of Section 197(12) of the Act read with the relevant rules and having referred to provisions of the First Proviso to Section 136(1) of the Act, the Annual Report is being sent to the members of the Company, excluding details of particulars of employees and related disclosures. The said information/ details are available for inspection at the Registered Office of the Company during working hours on any working day. Any member interested in obtaining this information may write to the company and this information would be provided on request.

### 34. DISCLOSURES AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has adopted a policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013 and the Rules thereunder. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Company has not received any complaint of sexual harassment during the financial year 2019-2020.

**35. HEALTH, SAFETY AND ENVIRONMENT**

The company considers safety, environment and health as the management responsibility and therefore being constantly aware of its obligation towards maintaining and improving the environment across various spheres of its business activities.

**36. CONSERVATION OF ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE EARNING AND OUTGO**

The company is not engaged in manufacturing activities and as such the particulars relating to conservation of energy and technology absorption are not applicable. The company makes every effort to conserve energy as far as possible etc. Particulars regarding Foreign Exchange Earnings and Outgo required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are given in the notes forming part of accounts which forms part of the Annual Report.

**37. ACKNOWLEDGEMENT**

The Board of Directors would like to express its gratitude and its appreciation for the support and co-operation from its members, RBI and other regulators. The Board of Directors also places on record its sincere appreciation for the commitment and hard work put in by the Management and the employees of the Company .

**Date :- 09.11.2020**

**Place:- Mumbai**

**For and on behalf of the Board of Directors**

**Sd/-  
Anil Kothari  
Whole Time Director  
DIN: 01991283**

**Sd/-  
Naresh Jain  
Director  
DIN:00291963**

**Annexure - I  
FORM NO. AOC-2**

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

**1. Details of contracts or arrangements or transactions not at arm's length basis : Nil**

- (a) Name(s) of the related party and nature of relationship
- (b) Nature of contracts/arrangements/transactions
- (c) Duration of the contracts/arrangements/transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any
- (e) Justification for entering into such contracts or arrangements or transactions
- (f) Date(s) of approval by the Board
- (g) Amount paid as advances, if any:
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

**2. Details of material contracts or arrangement or transactions at arm's length basis : Nil**

- (a) Name(s) of the related party and nature of relationship
- (b) Nature of contracts/arrangements/transactions
- (c) Duration of the contracts/arrangements/transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
- (e) Date(s) of approval by the Board, if any:
- (f) Amount paid as advances, if any:

**Date :- 09.11.2020**

**Place:- Mumbai**

**For and on behalf of the Board of Directors**

**Sd/-  
Anil Kothari  
Whole Time Director  
DIN: 01991283**

**Sd/-  
Naresh Jain  
Director  
DIN:00291963**



**Annexure - II  
Form No. MGT - 9**

**EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2020**

**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]**

**I. REGISTRATION AND OTHER DETAILS**

i.	CIN	L65990MH1991PLC064631
ii.	Registration Date	27/12/1991
iii.	Name of the Company	Aagam Capital Limited
iv.	Category / Sub-Category of the Company	Public Company
v.	Address of the Registered office and contact details	Premises No. 2, 1st Floor, Rahimtoola House, 7, Homji Street, Fort, Mumbai- 400001. Tel : +91-7400186121 Web : www.aagamcapital.com Email : aagamcltd@gmail.com
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Bigshare Services Private Limited 1st Floor, Bharat Tin Works Building Opp. Vasant Oasis Makwana Road, Marol, Andheri(East), Mumbai – 400072. Tel : 02262638200 Email: vinod.y@bigshareonline.com Web: www.bigshareonline.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Investment & Finance	6499	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

NIL

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i. Category-wise Share Holding**

**(Amount in Rs.)**

	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>Promoters</b>									
<b>1)</b>	<b>Indian</b>									
a)	Individual/ HUF	0	0	0	0.00	0	0	0	0	0.00
b)	Central Govt.	0	0	0	0.00	0	0	0	0	0.00
c)	State Govt.	0	0	0	0.00	0	0	0	0	0.00
d)	Bodies Corporate	0	0	0	0.00	0	0	0	0	0.00
e)	Banks/FI	0	0	0	0.00	0	0	0	0	0.00

f)	Any Others (Specify)									
	<b>Sub-total(A)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>2)</b>	<b>Foreign</b>									
	a)NRIs-Individuals	0	0	0	0.00	0	0	0	0	0.00
	b)Other- Individuals	0	0	0	0.00	0	0	0	0	0.00
	c) Bodies Corp.	0	0	0	0.00	0	0	0	0	0.00
	d) Banks/FI	0	0	0	0.00	0	0	0	0	0.00
	e)Any Others	0	0	0	0.00	0	0	0	0	0.00
	<b>Sub-total (A)(2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
	<b>Total shareholding of promoters</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
	<b>(A)=(A)(1)+(A)(2)</b>									
<b>B.</b>	<b>Public Shareholding</b>									
<b>1.</b>	<b>Institutions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
	a) Mutual Funds	0	0	0	0.00	0	0	0	0	0.00
	b) Banks/FI	0	0	0	0.00	0	0	0	0	0.00
	c) Central Govt.	0	0	0	0.00	0	0	0	0	0.00
	d) State Govt.	0	0	0	0.00	0	0	0	0	0.00
	e) Venture Capital Funds	0	0	0	0.00	0	0	0	0	0.00
	f) Insurance Companies	0	0	0	0.00	0	0	0	0	0.00
	g) FIs	0	0	0	0.00	0	0	0	0	0.00
	h) Foreign Venture Capital	0	0	0	0.00	0	0	0	0	0.00
	i) Funds Others (Specify)	0	0	0	0.00	0	0	0	0	0.00
	<b>Sub-total (B)(1)</b>									
<b>2.</b>	<b>Non Institutions</b>									
a)	Bodies Corporate	20,99,347	7,98,173	28,97,250	57.95	19,52,401	7,98,173	27,50,574	55.01	(2.94)
	i)Indian									
	ii)Overseas									
b)	Individuals									
	i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	5,43,374	7,802	5,51,176	11.02	5,43,843	7,802	5,51,645	11.03	0.01
	ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	14,13,192	46,100	14,59,292	29.19	15,21,736	46,100	15,67,836	31.36	2.17
c)	Others (Specify)									
	i) HUF	89,553	0	89,553	1.79	90,371	0	90,371	1.81	0.02
	ii) Trusts	0	0	0	0.00	0	0	0	0.00	0.00
	iii) Clearing Member	0	0	0	0.00	37,115	0	37,115	0.74	0.74
	iv) Non Resident Indian (Repat)	2,436	0	2,436	0.05	2,436	0	2,436	0.05	0.00
	v) Non Resident Indian (Non Repat)	23	0	23	0.00	23	0	23	0.00	0.00
	vi) Directors Relatives	0	0	0	0.00	0	0	0	0.00	0
	vii)Employee	0	0	0	0.00	0	0	0	0.00	0
	viii)Overseas Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0
	ix) Unclaimed Suspense Account	0	0	0	0.00	0	0	0	0.00	0
	x) IEPF	0	0	0	0.00	0	0	0	0.00	0
	xi) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0
	<b>Sub-total (B)(2)</b>	<b>41,47,925</b>	<b>8,52,075</b>	<b>50,00,000</b>	<b>100</b>	<b>41,47,925</b>	<b>8,52,075</b>	<b>50,00,000</b>	<b>100</b>	<b>(0.00)</b>

	<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>41,47,925</b>	<b>8,52,075</b>	<b>50,00,000</b>	<b>100</b>	<b>41,47,925</b>	<b>8,52,075</b>	<b>50,00,000</b>	<b>100</b>	<b>(0.00)</b>
	C) Shares held by Custodian & against which depository receipts have been issued									
	a) Shares Held By Custodians									
	i) Promoter & Promoter group	0	0	0	0.00	0	0	0	0.00	0.00
	ii) Public	0	0	0	0.00	0	0	0	0.00	0.00
	<b>SUB TOTAL (C)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Grand Total (A+B+C)</b>	<b>41,47,925</b>	<b>8,52,075</b>	<b>50,00,000</b>	<b>100</b>	<b>41,47,925</b>	<b>8,52,075</b>	<b>50,00,000</b>	<b>100</b>	<b>0.00</b>

**ii. Shareholding of Promoters**

Nil

**iii. Change in Promoters Shareholding (please specify if there is No Change)**

Nil

**iv. Shareholding pattern of top ten Shareholders(Other than Directors, Promoters and Holders of GDR and ADRs):**

(Amount in Rs.)

Sl. No.	Name	No. of shares at the beginning/ end of the year	Date	Increase / Decrease in shareholding	Reason	Number of Shares	Percentage of total shares of the Company
1	Monotype India Limited	11,58,837	1-Apr-19	0	-	11,58,837	23.18
		11,58,837	31-Mar-20	0	-	11,58,837	23.18
2	Ivory Consultants Pvt Ltd	2,44,198	1-Apr-19	0	-	2,44,198	4.88
		2,44,198	31-Mar-20	0	-	2,44,198	4.88
3	Haridarshan Sales Pvt Ltd	2,40,000	1-Apr-19	0	-	2,40,000	4.80
		2,40,000	31-Mar-20	0	-	2,40,000	4.80
4	Lily Gold Merchants Pvt Ltd	2,29,476	1-Apr-19	0	-	2,29,476	4.59
		2,29,476	31-Mar-20	0	-	2,29,476	4.59
5	Hasmukhbhai Manilal Shah	2,21,933	1-Apr-19	0	-	2,21,933	4.44
		2,21,933	31-Mar-20	0	-	2,21,933	4.44
6	Balmiki Agencies Pvt Ltd	1,73,000	1-Apr-19	0	-	1,73,000	3.46
		1,73,000	31-Mar-20	0	-	1,73,000	3.46
7	Priteshkumar H Shah	1,66,442	1-Apr-19	0	-	1,66,442	3.33
		1,66,442	31-Mar-20	0	-	1,66,442	3.33
8	Asha Sanjay Shah	1,25,034	1-Apr-19	0	-	1,25,034	2.50
		1,25,034	31-Mar-20	0	-	1,25,034	2.50
9	Manoj Jhaveri Stock Broking Pvt Ltd	2,37,139	1-Apr-19	0	-	2,37,139	4.74
		2,37,139	31-Mar-20	0	-	2,37,139	4.74

**v. Shareholding of Directors and Key Managerial Personnel :**

Nil

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	--	75,000	--	--
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	<b>--</b>	<b>75,000</b>	<b>--</b>	<b>--</b>
<b>Change in Indebtedness during the financial year</b>				
- Addition	--	4,55,000	--	--
- Reduction	--	5,30,000	--	--
Net Change	--	(75,000)	--	--
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	--	--	--	--
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
<b>1.</b>	<b>Gross salary</b>						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	--	--	--	--	--
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	--	--	--	--	--	--
<b>2.</b>	<b>Stock Option</b>	--	--	--	--	--	--
<b>3.</b>	<b>Sweat Equity</b>	--	--	--	--	--	--
<b>4.</b>	<b>Commission</b>						
	- as % of profit	--	--	--	--	--	--
	- others, specify...	--	--	--	--	--	--
<b>5.</b>	<b>Others, please specify</b>	--	--	--	--	--	--
	<b>Total (A)</b>	--	--	--	--	--	--
	<b>Ceiling as per the Act</b>	<b>10 % of net profit of the company</b>					

## B. Remuneration to other directors

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Rajendra Redekar	Mrs. Preeti Doshi	Mr. Suryakant Maruti Kadakane	
<b>1</b>	<b>Independent Directors</b>				
	• Fee for attending board committee meetings	10,000	14,000	14,000	38,000
	• Commission	--	--	--	--
	• Others, please specify	--	--	--	--
	<b>Total (1)</b>	<b>10,000</b>	<b>14,000</b>	<b>14,000</b>	<b>38,000</b>
<b>2</b>	<b>Other Non-Executive Directors</b>	--	--	--	--
	• Fee for attending board committee meetings	--	--	--	--
	• Commission				
	• Others, please specify	--	--	--	--
	<b>Total (2)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
	<b>Total (B)=(1+2)</b>				
	<b>Total Managerial Remuneration</b>	<b>10,000</b>	<b>14,000</b>	<b>14,000</b>	<b>38,000</b>
	<b>Overall Ceiling as per the Act</b>	<b>1% of net profit of the company</b>			

## C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD

(Amount in Rs.)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
<b>1.</b>	<b>Gross salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	70,196	--	--
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--	--
<b>2.</b>	<b>Stock Option</b>	--	--	--	--
<b>3.</b>	<b>Sweat Equity</b>	--	--	--	--
<b>4.</b>	<b>Commission</b>				
	- as % of profit	--	--	--	--
	- others, specify...	--	--	--	--
<b>5.</b>	<b>Others, please specify</b>	--	--	--	--
	<b>Total</b>	--	70,196	--	--

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

(Amount in Rs.)

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority[RD / NCLT/Court]	Appeal made. If any(give details)
<b>A. Company</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
<b>B. Directors</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
<b>C. Other Officers In Default</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

Date :- 09.11.2020

Place:- Mumbai

For and on behalf of the Board of Directors

Sd/-

**Anil Kothari**  
**Whole Time Director**  
**DIN: 01991283**

Sd/-

**Naresh Jain**  
**Director**  
**DIN:00291963**

## Annexure – III

**FORM NO. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020**

**[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,  
The Members,  
M/S Aagam Capital Limited  
CIN.: L65990MH1991PLC064631  
Premises No. 2, 1st Floor, Rahimtoola House,  
7, Homji Street, Fort, Mumbai- 400001.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s AAGAM CAPITAL LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31st 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31st, 2020, according to the provisions of:

- a) The Companies Act, 2013 (the Act) and the rules made there under;
- b) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- c) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- d) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- e) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the Audit Period)**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014; **(Not applicable to the Company during the Audit Period)**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)** and;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**
- (i) Rules, Regulations and Guidelines issued by the Reserve Bank of India as are applicable to Non-Banking Financial Companies with classification as a 'Loan Company'; which are specifically applicable to the Company

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

**I have also examined compliance with the applicable clauses of the following:**

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"]

During the period under review the Company has complied with the provision of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following Observation :

- 1. The Company Secretary and Compliance Officer had resigned from his post on 19.11.2019. The Board has not appointed any Company Secretary and Compliance Officer to occupy the vacate position till 31st March, 2020.**
- 2. The Company has not paid Annual Listing Fees and trading in Bombay Stock Exchange has been suspended.**

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decision are carried out unanimously at Board Meetings and Committee Meetings and recorded in the minutes of the meeting of the Board of Directors or Committees of the Board as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the year under review, the company has received various Show cause notices under the provision of Companies Act, 2013 and Companies Act, 1956 and the company has applied for compounding of offences for the same u/s 441 of the Companies Act, 2013.

**Suprabhat Chakraborty.**  
**Company Secretary in Practice**  
**ACS No. – 41030**  
**C.P No. - 15878**

**Place: Kolkata**  
**Date: 09.11.2020**



**ANNEXURE I**

To,  
The Members,  
**AAGAM CAPITAL LIMITED**  
CIN.: L65990MH1991PLC064631  
Premises No. 2, 1st Floor, Rahimtoola House,  
7, Homji Street, Fort, Mumbai- 400001.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Suprabhat Chakraborty.**  
**Company Secretary in Practice**  
**ACS No. – 41030**  
**C.P No. – 15878**

**Place: Kolkata**  
**Date:09.11.2020**

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY OVERVIEW

Non-Banking Financial Companies (NBFCs) have played an important role in the Indian Financial System by complementing and competing with banks and by bringing in efficiency and diversity into financial intermediation. NBFCs have evolved considerably in terms of operations, heterogeneity, asset quality and profitability and regulatory architecture.

NBFCs have carved niche business areas for themselves within the financial sector space with innovative products and leveraging the FinTech ecosystem. Owing to a variety of constraints faced by the banking system in intensifying its lending activities the role of NBFCs has become even more significant now.

NBFCs are playing an increasingly important role in India's financial system. As NBFCs are subjected to enhanced levels of regulation by the Reserve Bank of India, there is a need to provide greater parity in their tax treatment vis-à-vis scheduled banks. The proposals laid down in the Union Budget 2019-20 and the underlying tone of reform, perform and transform would succeed as the Indian economy would step out from the sluggishness witnessed in the past few months. The Union Budget focuses on bringing about several transformational economic reforms. Reiterating the ten points of the 'Vision for the Decade' as envisaged in the Interim Budget, the tax reforms announced were primarily aimed at stimulating growth and promoting digitization and transparency, while simultaneously simplifying tax administration. As emphasized in the Budget Speech by Mrs. Sitharaman, "NBFCs are playing an extremely important role in sustaining consumption demand as well as capital formation in the small and medium industrial segment. NBFCs that are fundamentally sound should continue to get funding from banks and mutual funds without being unduly risk-averse.

### OUTLOOK

The Government has taken a series of measures to generate demand and ease the liquidity by ensuring public sector banks lend further to NBFCs, introducing partial credit guarantee scheme, organizing loan mela etc. Outlook for 2020 right now is cautious from an industry point of view, the slowdown that has begun can't be turned around that easily for which a booster shot is required. We do expect demand to pick up as we expect some favorable actions by the Finance Minister in the next budget. These could include a change in personal tax rules in order to put more money in the hands of the common man for a consumption-led revival of the economy, measures to prop up the health and lending abilities of NBFCs, policies to fast track digital adoption etc.

Structurally, the government can make it easier for MSMEs to survive the environment by providing more subsidies to some sectors and build more platforms for small-scale industries to expand. Government should consider relaxing and easing some compliances, for e.g. reforms on taxes or entry requirements for DFIs.

### INTERNAL CONTROL SYSTEMS

The internal financial controls of the Company are commensurate with its size, scale and complexity of operations. The company has policies and procedures which inter alia ensure integrity in conducting business, timely preparation of reliable information, accuracy and completeness in maintaining accounting records and prevention and detection of frauds and errors. The Audit Committee actively reviews the adequacy and effectiveness of the internal financial control systems and suggests improvements if any to strengthen the same.

### HUMAN RESOURCE

Your company believes that people are key assets of the organisation and constantly focusing on attracting, retaining the right talent thereby providing the best opportunities to employees to realise their potential.

### FINANCIAL PERFORMANCE

The net profit for the period ended 31st March, 2020 is Rs. 4,84,195 as against loss of Rs. 38,32,654 during previous year. The total income of the company decreased from Rs. 17,98,582 to Rs. 15,43,523. The EPS of the company for the year under review is Rs. 0.10. Your directors expects and will make more efforts to improve the performance of the company during the current year as compared to previous year.

**CAUTIONARY STATEMENT**

Management discussion and analysis report contains statements which are forward looking based on assumptions. Actual results may differ from those expressed or implied due to risk and uncertainties. Several factors as listed in this report could make significant difference to the company's operations. Investors therefore are requested to make their own independent judgments and seek professional advice before taking any investment decisions.

**INDEPENDENT AUDITOR'S REPORT**

To the Members of **AAGAM CAPITAL LIMITED**

**Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of AAGAM CAPITAL LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the statement of Profit and Loss, statement of changes in equity, statement of cash flows for the year then ended and notes to the financial statements, including 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 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 principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and profit, changes in equity and its 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 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 thereunder, 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.

**Emphasis of Matter – Effects of COVID-19**

We draw your attention to Note 34 of the Financial Statements which explains the management's assessment of the financial impact due to the lock-down and other restrictions and conditions related to the COVID-19 pandemic situations, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

**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.

**Transition to Ind AS: changes in accounting policies, changes to internal controls framework and Additional disclosures associated with transition**

Effective 1 April 2019, the Company adopted the Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs with transition date of 1 April 2018.

The following are the impact areas for the Company upon transition:

- Classification and measurement of financial assets and financial liabilities; and
- Additional disclosures

Transition adjustments are complex accounting requirements and require determination of new accounting policies, including transition option election and practical expedients.

The changes in accounting framework translates into significant changes in standard operating procedures in respect of impacted areas, risk and control framework including internal controls over financial reporting and application of higher degree of management judgment. We identified transition adjustments as a Key audit matter because of significant degree of management judgment and application on the areas noted above.

Our audit procedures included:

**Design / Controls**

- Assessing the design, implementation and operating effectiveness of key internal controls over management's evaluation of transition date choices and exemptions availed in line with the principles under Ind AS 101 - First-time Adoption of Indian Accounting Standards and preparation of disclosures;

**Substantive tests**

- Evaluated management's transition date choices and exemptions for compliance / acceptability under Ind AS 101;
- Evaluate the appropriateness of the accounting policies based on the requirements of the new standards;
- Assessed the accuracy of the computations; and
- Performed procedures to check appropriate presentation of disclosures.

Assessed areas of significant estimates and management judgment in line with principles under Ind AS.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The 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 financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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.

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

- 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.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Company's ability 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.

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.

#### **Other Matter**

The Company has not appointed any Company Secretary after the resignation of the previous Company Secretary and more than six months has elapsed from the date of resignation. The office of Company Secretary was vacant on the date signing the Financial Statements. Hence, provisions of section 134 of the Companies Act, 2013 regarding signing of the Financial Statements and section 203 of the Companies Act, 2013 regarding appointment of Key Managerial Personnel has not been complied with.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 our audit.
  - (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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015.
- (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**”.
- (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 does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Motilal & Associates,**  
**Chartered Accountants**  
Firm Regn No. 106584W

Sd/-  
**Rishabh Jain**  
**Partner**  
Membership No : 179547

**Date :** 29/06/2020  
**Place :** Mumbai

**UDIN:** 20179547AAAAAS5058

**ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT**

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **AAGAM CAPITAL LIMITED** of even date)

- (i) In respect of the Company’s fixed assets:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification that, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - The Company does not own any Immovable property. Accordingly, paragraph 3(i)(c) of the Order is not applicable to the Company.
- (ii) According to the information and explanation given to us, the Company is a Non-Banking Finance Company engaged in the Business of Financial Activities. Consequently, it does not hold any Physical Inventory. Accordingly, the provisions of Clause 3(ii) of the Order are not applicable to the Company and hence not commented upon.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, clause (iii) of paragraph 3 of the Order is not applicable to the Company.
- (iv) In our opinion and according to information and explanations given to us, the Company has not advanced loans to Directors/ Company in which the director is interested to which the provisions of Section 185 of the Companies Act, 2013 apply and hence not commented upon.

Also, in our opinion and according to the information and explanation given to us, the Company has not made investment and given guarantee/provided security which falls under the purview of section 186 of the Companies Act, 2013 and hence not commented upon.

- (v) According to the information and explanations given to us, the Company has not accepted deposits during the year and does not have any unclaimed deposits as at 31st March, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- (vi) As per the information and explanation given to us, the maintenance of cost records specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not applicable to the Company and hence not commented upon.
- (vii) a) The Company has generally been regular in depositing undisputed statutory dues including Provident fund, Employees’ State Insurance, Income-tax, Goods & Service Tax, Sales-tax, Service Tax, Customs duty, Excise duty, Value Added Tax, cess and any other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Provident fund, Employees’ State Insurance, Income-tax, Goods & Service Tax, Sales tax, Service Tax, Customs duty, Excise duty, Value Added Tax, cess and any other material statutory dues in arrears, as at March 31, 2020 for a period of more than six months from the date they became payable, except the following:

Name of the Statute	Nature of Dues	Amount (in Rs.)	Period to which demand relates	Date of demand	Date of Payment
Income Tax Act, 1961	Interest on Payments Default u/s 201	1921.5/-	F.Y 2019-20	Various Dates	Unpaid till date
Income Tax Act, 1961	Interest on Payment Default u/s 201	2208/-	F.Y. 2018-2019	Various dates	Unpaid till date
Income Tax Act, 1961	Late Filing Fee u/s 234E	1600/-	F.Y. 2018-2019	Various dates	Unpaid till date
Income Tax Act, 1961	Interest on Payment Default u/s 201	580.50/-	F.Y. 2017-2018	Various dates	Unpaid till date
Income Tax Act, 1961	Interest on Payment Default u/s 201	912/-	Prior years	Various dates	Unpaid till date



Name of the Statute	Nature of Dues	Amount (in Rs.)	Period to which demand relates	Date of demand	Date of Payment
The Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975.	Professional Tax	3,500/-	F.Y 2019-20	Various Dates	Unpaid till date

- b) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2020 on account of dispute are given below:

Name of the Statute	Nature of dues	Amount (Rs.)	Period to which amount relates	Forum where Dispute is Pending
Income Tax Act, 1961	Income Tax	4,23,65,400/-	A.Y.2012-13	CIT (A)

- (viii) According to the information and explanations given to us, the Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.
- (ix) According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company and hence, not commented upon.
- (x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Consequently, provisions of clause 3(xii) of the Order are not applicable to the Company and hence, not commented upon.
- (xiii) In our opinion and according to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details of related party transactions have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting under clause 3 (xiv) are not applicable to the Company and hence, not commented upon.
- (xv) According to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the said registration has been obtained.

**For Motilal & Associates,  
Chartered Accountants**

Firm Regn No. 106584W

Sd/-

**Rishabh Jain**

**Partner**

Membership No : 179547

**Date :** 29/06/2020

**Place :** Mumbai

**ANNEXURE“B” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 2(f) under Report on Other Legal and Regulatory Requirements section of our report to the members of **Aagam Capital Limited** of even date)

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of AAGAM CAPITAL LIMITED (“the Company”) as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company 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 company’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.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 Company’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; and (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, to the best of our information and according to the explanation given to us, the Company 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, 2020, based on the internal control over financial reporting criteria established by the Company 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.

**Other Matter**

1. Refer Emphasis of Matter paragraph on Effects of COVID-19 in the Independent Auditor's Report.
2. COVID 19 pandemic has resulted in a different and unique working environment which required performance of selective audit procedures remotely and to that extent there is an impact on testing.

**For Motilal & Associates,**  
**Chartered Accountants**  
Firm Regn No. 106584W

Sd/-

**Rishabh Jain**  
**Partner**

Membership No : 179547

**Date :** 29/06/2020

**Place :** Mumbai

## Balance Sheet as at 31st March 2020

(Amount in Rs.)

Particulars	Note No.	As at 31st March,2020	As at 31st March, 2019	As at 1st April, 2018
<b>ASSETS</b>				
<b>(1) Financial Assets</b>				
(a) Cash and cash equivalents	2	50,435	51,498	49,438
(b) Bank Balance other than (a) above	3	134,390	134,390	134,390
(c) Loans	4	5,118,463	19,748,387	18,652,305
(d) Investments	5	15,255,000	-	-
(e) Other Financial assets	6			
Interest Accrued but not due		78,521	65,154	53,925
<b>(2) Non-Financial Assets</b>				
(a) Deferred tax Assets (Net)	7	396,027	278,444	4,694,177
(b) Property, Plant and Equipment	8	3,460	6,559	17,804
(c) Other non -financial assets	9			
Balance with Revenue Authorities		1,321,316	1,347,382	1,397,281
Advance for Expenses		-	5,628	-
Security Deposit		112,500	112,500	112,500
<b>Total Assets</b>		<b>22,470,113</b>	<b>21,749,942</b>	<b>25,111,820</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>(1) Financial Liabilities</b>				
(a) Borrowings (Other than Debt Securities)	10	-	75,000	-
<b>(2) Non-Financial Liabilities</b>				
(a) Provisions	11	49,371	49,371	46,631
(b) Other non-financial liabilities	12			
Statutory dues Payable		15,379	16,597	10,214
Expenses Payable		1,780,259	1,468,064	1,081,412
<b>(3) EQUITY</b>				
(a) Equity Share capital	13	50,000,000	50,000,000	50,000,000
(b) Other Equity	14	(29,374,897)	(29,859,092)	(26,026,437)
<b>Total Liabilities and Equity</b>		<b>22,470,113</b>	<b>21,749,942</b>	<b>25,111,820</b>

**For Motilal & Associates**Chartered Accountants  
ICAI Firm Regn No. 106584WSd/-  
**Rishabh Jain**  
Partner  
Membership No : 179547**For and on behalf of Board of Directors**Sd/-  
**Anil Kothari**  
Whole Time Director & CFO  
DIN: 01991283Sd/-  
**Naresh Jain**  
Director  
DIN: 00291963Date : 29/06/2020  
Place : Mumbai

## Statement of Profit &amp; Loss for the year ended as at 31st March 2020

(Amount in Rs.)

Particulars	Note No.	As at 31st March,2020	As at 31st March, 2019
<b>I. INCOME</b>			
<b>Revenue from Operations</b>			
Interest Income	15	1,541,055	1,798,582
<b>Total Revenue from Operations</b>			
<b>Other Income</b>		<b>2,468</b>	
<b>Total Income</b>		<b>1,543,523</b>	<b>1,798,582</b>
<b>II. EXPENSES</b>			
a) Finance Costs	16	10,457	7,056
b) Employee benefit expense	17	70,196	121,700
c) Depreciation and amortisation expense		3,099	11,245
d) Other expenses	18	969,390	1,015,291
<b>Total Expenses</b>		<b>1,053,142</b>	<b>1,155,292</b>
<b>III. Profit / (Loss) before exceptional items and tax</b>		<b>490,381</b>	<b>643,290</b>
<b>IV. Exceptional Item</b>		-	-
<b>V. Profit before Tax</b>		<b>490,381</b>	<b>643,290</b>
<b>VI. Tax expense:</b>			
- Current tax		-	<b>-6,800</b>
- (Excess)/ Short Provision for Tax of Earlier Year		-	-
- Deferred tax		6,186	5,056
- MAT Credit written off		-	4,477,687
<b>VII. Profit / (loss) for the period from continuing operations</b>		<b>484,195</b>	<b>-3,832,653</b>
<b>VIII. Profit/(loss) from discontinued operations</b>		-	-
<b>IX. Tax Expense of discontinued operations</b>		-	-
<b>X. Profit/(loss) from discontinued operations(After tax)</b>		-	-
<b>XI. Profit for the Period</b>		-	-
<b>XII. Other comprehensive income</b>		-	-
<b>XIII. Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		<b>484,195</b>	<b>-3,832,653</b>
<b>XIV. Earnings per Equity Share (for continuing operations) *</b>			
(a) Basic		0.10	-0.77
(b) Diluted		0.10	-0.77
<b>XV. Earnings per Equity Share (for discontinued operations) *</b>			
(a) Basic		-	-
(b) Diluted		-	-
<b>XVI. Earnings per Equity Share (for continuing and discontinued operations) *</b>	20		
(a) Basic		0.10	-0.77
(b) Diluted		0.10	-0.77

**For Motilal & Associates**  
Chartered Accountants  
ICAI Firm Regn No. 106584W

**For and on behalf of Board of Directors**

Sd/-  
**Rishabh Jain**  
Partner  
Membership No : 179547

Sd/-  
**Anil Kothari**  
Whole Time Director & CFO  
DIN: 01991283

Sd/-  
**Naresh Jain**  
Director  
DIN: 00291963

Date : 29/06/2020  
Place : Mumbai

## Cash Flow Statement for the year ended as at 31st March 2020

(Amount in Rs.)

Particulars	Note No	Year Ended 31.03.2020	Year Ended 31.03.2019
<b>Cash flows from Operating Activities</b>			
<b>Net Profit before Tax</b>		<b>490,381</b>	<b>643,290</b>
<b>Adjusted For :</b>			
Depreciation and Amortization		3,099	11,245
Contingent Provision against Standard Assets		2,740	2,740
Finance costs		10,457	7,056
<b>Operating profit / (Loss) before working capital changes</b>		<b>506,677</b>	<b>664,331</b>
<b>Changes in Working Capital:</b>			
(Increase)/Decrease in Short term Loans and Advances		14,629,924	(1,096,082)
(Increase)/Decrease in Other Financial Assets		(13,367)	(11,229)
(Increase)/Decrease in Other Non-Financial Assets		5,628	(5,628)
(Increase)/Decrease in Other Assets		(97,703)	(84,121)
Increase/(Decrease) in Provisions		(2,740)	73,810
Increase/(Decrease) in Other Non Financial liabilities		310,977	393,035
<b>Cash generated from / (used in) operations</b>		<b>15,339,396</b>	<b>(65,884)</b>
Tax Paid/Refund		-	-
<b>Net cash flow from operating activities</b>	<b>A</b>	<b>15,339,396</b>	<b>(65,884)</b>
<b>Cash flows from Investing Activities</b>			
Investment In Equity Shares		(15,255,000)	-
<b>Net cash flow from / (used in) investing activities</b>	<b>B</b>	<b>(15,255,000)</b>	<b>-</b>
<b>Cash flows from Financing Activities</b>			
Proceeds from other short-term borrowings	(75,000)	75,000	-
Finance cost	(10,457)	(7,056)	-
<b>Net cash flow from / (used in) Financing activities</b>	<b>C</b>	<b>(85,457)</b>	<b>67,944</b>
<b>Net increase / (decrease) in Cash and Cash Equivalents</b>	<b>(A+B+C)</b>	<b>(1,061)</b>	<b>2,060</b>
Cash and cash equivalents as at the beginning of the year		185,888	183,828
Cash and cash equivalents as at end of the year		184,825	185,888

**For Motilal & Associates**Chartered Accountants  
ICAI Firm Regn No. 106584W

Sd/-

**Rishabh Jain**

Partner

Membership No : 179547

**For and on behalf of Board of Directors**

Sd/-

**Anil Kothari**

Whole Time Director &amp; CFO

DIN: 01991283

Sd/-

**Naresh Jain**

Director

DIN: 00291963

Date : 29/06/2020

Place : Mumbai

**Notes to the Financial Statements for the year ended 31st March, 2020****Company Overview**

“Aagam Capital Limited” (‘the Company’) was incorporated in India on December 27, 1991 as “Principle Capital Markets Limited”. The name was changed on February 7, 1996 and June 26, 2006 to “Principal Capital Markets Limited” and “Subhkam Capital Limited” respectively. The name was further changed on January 23, 2013 to “Aagam Capital Limited”.

The Company received its certificate of registration as a non-banking finance company on August 5, 1998 from the Reserve Bank of India (RBI), Department of Non-Banking Supervision, Mumbai Regional Office, in its former name “Principal Capital Markets Limited” which was changed subsequently to “Subhkam Capital Limited” and further changed to “Aagam Capital Limited”. The Company has received the revised certificate of registration from RBI subsequent to the change of name to “Aagam Capital Limited”. Company is engaged in business of dealing in shares and securities having its registered office at Premises No.2, 1st Floor, Rahimtoola House, 7, Homji Street, Fort, Mumbai.

**1. Significant Accounting Policies****A. Basis of Preparations****i. Statement of Compliance**

These Financial Statements have been prepared in accordance with Indian Accounting standards (‘Ind AS’) as notified by the Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 (‘Act’) read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and rules made thereunder.

The Financial Statements up to the year ended 31st March 2019 were prepared in accordance with accounting standards as per Companies (Accounting Standard) Rules, 2006 (as amended) notified under section 133 of Act and other relevant provision of Act (and rules thereunder (referred as “Indian GAAP” or “Previous GAAP”).

These Financial Statements for the year ended 31st March 2020 are the first Financial Statement of the Company under Ind AS. Refer Note 21 for an explanation how the transition from previous GAAP to Ind AS has affected the Company’s financial Position, financial performance and Cash flows.

The Company has prepared these Financial Statements which comprise the Balance Sheet as at 31 March, 2020, the Statement of Profit and Loss for the year ended 31 March 2020, the Statement of Cash Flows for the year ended 31 March 2020 and the Statement of Changes in Equity for the year ended as on that date and accounting policies and other explanatory information (together hereinafter referred to as ‘financial statements’). The financial statements of the Company are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis as per the provisions of the Companies Act, 2013 (“the Act”), except for:

- Financial instruments – measured at fair value

The Financial Statements have been presented in Indian Rupees (INR), which is the Company’s functional currency. All financial information presented in INR has been rounded off to the nearest rupee, unless otherwise stated.

The accounting policies are applied consistently to all the periods presented in the Financial Statements including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2018 being the date of transition to Ind AS except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These Financial Statements were approved by the Board of Directors and authorised for issue on 29th June, 2020.

**ii. Use of Estimates and Judgements**

The preparation of Financial Statements in conformity with Ind AS requires management to make certain judgments, estimates and assumptions which affects the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Actual results may differ from these estimates.

Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised in financial statements in the period in which the estimate is revised if the revision affects only that period or in the period of the revision & Future period if revision affect both current and future periods.

This note provides an overview of the areas where there is a higher degree of judgment or complexity. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation.

The areas involving critical estimates or judgements are

- a. Impairment of Financial Assets such as Trade Receivable.
- b. Impairment of Non-Financial Assets.
- c. Estimates of Tax Expenses and Liability.
- d. Revenue recognitions.

Estimates and judgments are regularly revisited. Estimates are based on historical experience and other factors, including futuristic reasonable information that may have a financial impact on the company.

## **B. Revenue Recognition**

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

- i. Revenue is measured at the fair value of the consideration received or receivable. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefit will flow to the entity. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specific of each agreement.
- ii. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the effective interest rate applicable.

## **C. Property, plant and equipment and depreciation**

### **i. Initial Recognition and Measurement**

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of Property, plant and equipment.

Capital work-in-progress comprises cost of property, plant and equipment and related expenses that are not yet ready for their intended use at the reporting date. Advances given towards acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advances under other non-current assets.

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.



**ii. Subsequent Cost**

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

**iii. Depreciation / amortisation on property, plant and equipment**

Depreciation on all the assets have been provided at the rates and in the manner prescribed in Schedule II of the Act on Written Down Value Method. Depreciation on additions to assets or on sale / disposal of assets is calculated on the basis of Pro rata basis from date of such addition or up to the month of such sale / scrapped, as the case may be

The WDV of the assets have been reduced to 5% of the Cost, which is the estimated Scrap Value as per the Companies Act, 2013. Hence no depreciation is charged in Quarter 4.

**D. Financial Instruments**

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets and financial liabilities are offset against each other and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

**i. Financial Assets**

The Company initially recognises loans and advances, deposits and debt securities purchased on the date on which they originate. Purchases and sale of financial assets are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. All financial assets are recognised initially at fair value. In the case of financial assets not recorded at FVTPL, transaction costs that are directly attributable to its acquisition of financial assets are included therein.

Financial assets are divided into the following categories:

- a. financial assets carried at amortised cost
- b. financial assets at fair value through other comprehensive income
- c. financial assets at fair value through profit and loss

Financial assets are assigned to the different categories by management on initial recognition, depending on the nature and purpose of the financial assets. The designation of financial assets is re-evaluated at every reporting date at which a choice of classification or accounting treatment is available.

Financial Assets like Investments in Subsidiaries are measured at Cost as allowed by Ind-AS 27 – Separate Financial Statements and hence are not fair valued.

**ii. Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cashflows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These are non-derivative financial assets that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank and cash balances) are measured subsequent to initial recognition at amortized cost using the effective

interest method, less provision for impairment. Any change in their value through impairment or reversal of impairment is recognized in the Statement of profit and loss.

In accordance with Ind AS 109: Financial Instruments, the Company recognizes impairment loss allowance on trade receivables and content advances based on historically observed default rates. Impairment loss allowance recognized during the financial year is charged to Statement of profit and loss.

### iii. Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are non-derivative financial assets held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses in the statement of profit and loss.

### iv. Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. It includes non-derivative financial assets that are either designated as such or do not qualify for inclusion in any of the other categories of financial assets. Gains and losses arising from investments classified under this category is recognized in the Statement of profit and loss when they are sold or when the investment is impaired.

### v. Impairment of Financial Assets

In the case of impairment, any loss previously recognized in other comprehensive income is transferred to the Statement of profit and loss. Impairment losses recognized in the Statement of profit and loss on equity instruments are not reversed through the Statement of profit and loss. Impairment losses recognized previously on debt securities are reversed through the Statement of profit and loss when the increase can be related objectively to an event occurring after the impairment loss was recognized in the Statement of profit and loss.

When the Company considers that fair value of financial assets can be reliably measured, the fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Company applies its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each balance sheet date. Equity instruments measured at fair value through profit or loss that do not have a quoted price in an active market and whose fair value cannot be reliably measured are measured at costless impairment at the end of each reporting period.

An assessment for impairment is undertaken at least at each balance sheet date.

### vi. Investment in Equity Instruments

All investments in equity instruments classified under financial assets are initially measured at fair value. The Company has made an election to measure the same at fair value through other comprehensive income (FVOCI) on an instrument-by-instrument basis.

Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

### vii. Derecognition of Financial Assets

A financial asset is derecognized only where the contractual rights to the cash flows from the asset expire or the financial asset is transferred and that transfer qualifies for derecognition. A financial asset is transferred if the contractual rights to receive the cash flows of the asset have been transferred or the Company retains the contractual rights to receive the cash flows of the asset but assumes a contractual obligation to pay the cash flows to one or more recipients. A financial asset that is transferred qualifies for derecognition if the Company transfers substantially all the risks and rewards of ownership of the asset, or if the Company neither retains nor transfers substantially all the risks and rewards of ownership but does transfer control of that asset.

**viii. Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

**ix. Financial Liabilities**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition they are classified as financial liabilities at fair value through profit or loss.

**x. Subsequent measurement**

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

**xi. Derecognition**

A financial liability is derecognized only when the obligation is extinguished, that is, when the obligation is discharged or cancelled or expires. Changes in liabilities' fair value that are reported in profit or loss are included in the Statement of profit and loss within finance costs or finance income.

**E. Inventory**

Inventories are measured at the lower of cost and net realisable value after providing for obsolescence, if any. Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

**F. Impairment of Non-Financial Assets - Property, Plant & Equipment**

The Company assesses at each reporting dates as to whether there is any indication that any property, plant and equipment may be impaired. If any such indication exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any.

An impairment loss is recognized in the Statement of the Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**G. Borrowing Cost**

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the year less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset. Borrowing cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

**H. Cash and Cash Equivalent**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments which are readily convertible into known amounts of cash and are subject to insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

**I. Cash Flow Statement**

Cash flow are reported using Indirect method, where by net profit before tax is adjusted for the effects of transaction of non-cash nature any deferrals or accruals of past or future operating cash receipts or payments and items of income and expenses associates with investing or financing activity. The Cash flows from operating, financing and investing activity is shown separately.

**J. Provisions and contingencies**

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the Financial Statements.

**K. Tax Expenses**

Taxation on profit and loss comprises current tax and deferred tax. Tax is recognized in the Statement of profit and loss except to the extent that it relates to items recognized directly in equity or other comprehensive income in which case tax impact is also recognized in equity or other comprehensive income.

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted at the balance sheet date along with any adjustment relating to tax payable in previous years.

Deferred income tax is provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. Deferred income tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

**L. Earnings Per Share**

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**M. Employee Benefits****i) Short term employee benefits:**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

- ii)** The Company is exempted from Payment of Gratuity Act, 1972 in view of its strength of employees being less than threshold limit attracting the applicability of the said statute and as such no provision has been made for the said liability. Leave encashment is not provided on actuarial basis in view of employees being less than 10 and same is charged on actual basis.

**N. First time adoption of Ind AS:**

For all periods, up to and including the year ended March 31, 2019, the Company prepared its financial statements in accordance with accounting standards notified under the Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or Previous GAAP).

These financial statements for the year ended March 31, 2020 have been prepared in accordance with Indian Accounting Standards ("Ind-AS") consequent to the notification of the Companies (Indian Accounting Standards) Rules, 2015 (the Rules) issued by the MCA. These are the first Ind-AS financial statements of the Company, wherein the Company has restated its Balance Sheet as at April 1, 2018 and financial statements for the year ended and as at March 31, 2019 also as per Ind-AS. Consequently, in preparing these Ind AS financial Statements, the Company has availed certain exemptions and complied with the mandatory exceptions provided in Ind AS 101, as explained below.

**Exemptions and Exceptions availed**

Set out below are the Ind AS 101 optional exemptions availed as applicable and mandatory exceptions applied in the transition from previous GAAP to Ind AS

**i) Carrying value as deemed cost exemption:**

The Company has elected to measure items of property, plant and equipment at its carrying value at deemed cost at the transition date.

Particulars	As at 31st March 2020	As at 31 March 2019	As at 31 March 2018
<b>2 Cash and cash equivalents</b>			
<b>Cash in Hand</b>	<b>11,471</b>	<b>26,000</b>	<b>5,926</b>
Bank Balance	38,964	25,498	43,512
<b>Total</b>	<b>50,435</b>	<b>51,498</b>	<b>49,438</b>
<b>3 Bank Balance other than (a) above</b>			
<b>Fixed Deposits with Banks</b>	134,390	134,390	134,390
<b>Total</b>	<b>134,390</b>	<b>134,390</b>	<b>134,390</b>
Particulars	As at 31st March 2020	As at 31 March 2019	As at 31 March 2018
<b>4 Loans</b>			
<b>At Amortized Cost</b>			
Loans Repayable on Demand	5,118,463	19,748,387	18,652,305
Total (A) - Gross	5,118,463	19,748,387	18,652,305
Less: Impairment loss allowance	-	-	-
<b>Total (A) - Net</b>	<b>5,118,463</b>	<b>19,748,387</b>	<b>18,652,305</b>
Secured	-	-	-
Unsecured	5,118,463	19,748,387	18,652,305
Total (B) - Gross	5,118,463	19,748,387	18,652,305
Less: Impairment loss allowance	-	-	-
<b>Total (B) - Net</b>	<b>5,118,463</b>	<b>19,748,387</b>	<b>18,652,305</b>
(C) (I) Loans in India			-
(i) Public Sector	-	-	-
(ii) Others	5,118,463	19,748,387	18,652,305
Total (C) - Gross	5,118,463	19,748,387	18,652,305
Less: Impairment loss allowance	-	-	-
<b>Total (C) - Net</b>	<b>5,118,463</b>	<b>19,748,387</b>	<b>18,652,305</b>
<b>5 Investments</b>			
<b>At Fair Value through OCI</b>			
Equity Instruments			
Jupiter City Developers India Limited (1525500 shares (PY: Nil) Par Value Rs 10/- each)	15,255,000	-	-
<b>Total (A) - Gross</b>	<b>15,255,000</b>	<b>-</b>	<b>-</b>
Investments in India	15,255,000	-	-
<b>Total (B)</b>	<b>15,255,000</b>	<b>-</b>	<b>-</b>

The Company has purchased equity instruments of Jupiter City Developers India Limited during the year. On Initial recognition the Company has exercised the option to measure it at Fair Value Through OCI.

**6 Other Financial assets**

Interest Accrued but not due	78,521	65,154	53,925
<b>Total</b>	<b>78,521</b>	<b>65,154</b>	<b>53,925</b>

**7 Deferred tax Assets (Net)**

Components of Deferred Tax Asset / (Liabilities)

Property, Plant and Equipment	36,840	43,026	48,082
Mat Credit Entitlement	359,187	235,418	4,646,095
<b>Total</b>	<b>396,027</b>	<b>278,444</b>	<b>4,694,177</b>

The movement on the deferred tax account is as follows:

At the start of the year	43,026	48,082	63,744
Charge to Statement of Profit and Loss	-6,186	-5,056	-15,662
Charge to Other Comprehensive Income	-	-	-
<b>At the end of year</b>	<b>36,840</b>	<b>43,026</b>	<b>48,082</b>

**Note 8: Property Plant and Equipment**

Description Of Assets	Computer
<b>A. Cost or Deemed Cost</b>	
<b>Balance as at April 1, 2018 (Deemed Cost)</b>	<b>17,804.00</b>
Additions	-
<b>Balance as at March 31, 2019</b>	<b>17,804.00</b>
Additions	-
<b>Balance as at March 31, 2020</b>	<b>17,804.00</b>
<b>B. Accumulated Depreciation</b>	
Upto April 1, 2018	-
For the FY 2018-19	11,245.00
<b>Balance as at March 31, 2019</b>	<b>11,245.00</b>
For the FY 2019-20	3,099.00
<b>Balance as at March 31, 2020</b>	<b>14,344.00</b>
<b>C. Carrying Value</b>	
<b>Balance as at April 1, 2018</b>	<b>17,804.00</b>
<b>Balance as at March 31, 2019</b>	<b>6,559.00</b>
<b>Balance as at March 31, 2020</b>	<b>3,460.00</b>

Particulars	As at 31st March 2020	As at 31 March 2019	As at 31 March 2018
<b>9 Other non-financial assets</b>			
Balance with Revenue Authorities	1,321,316	1,347,382	1,397,281
Advance for Expenses	-	5,628	-
Security Deposit			
i) BSE Public Issue Deposit	112,500	112,500	112,500
<b>Total</b>	<b>1,433,816</b>	<b>1,465,510</b>	<b>1,509,781</b>

**10 Borrowings (Other than Debt Securities)****At Amortized Cost**

Loans from Related Party	-	75,000	-
<b>Total (A)</b>	<b>-</b>	<b>75,000</b>	<b>-</b>
Borrowings in India	-	75,000	-
<b>Total (B)</b>	<b>-</b>	<b>75,000</b>	<b>-</b>

**11 Provisions**

Provision for Employee Benefits	-	-	-
Others	49,371	49,371	46,631
<b>Total</b>	<b>49,371</b>	<b>49,371</b>	<b>46,631</b>

Particulars	As at 31st March 2020	As at 31 March 2019	As at 31 March 2018
<b>12 Other non-financial liabilities</b>			
<b>Statutory dues Payable</b>			
- TDS Payable	11,679	16,397	9,714
- Professional Tax	3,500	-	-
- Provident Fund	200	200	500
Expenses Payable	1,780,259	1,468,064	1,081,412
<b>Total</b>	<b>1,795,638</b>	<b>1,484,661</b>	<b>1,091,626</b>

**Note 13: Share Capital**

Particulars	As at 31.03.2020		As at 31.03.2019		As at 01.04.2018	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
<b>A. Authorised Share Capital :</b>						
Equity shares of Rs 10/- Each	5,250,000	52,500,000	5,250,000	52,500,000	5,250,000	52,500,000
<b>B. Issued, Subscribed and fully paid up</b>						
Equity shares of Rs 10/- Fully Paid up	5,000,000	50,000,000	5,000,000	50,000,000	5,000,000	50,000,000
	<b>5,000,000</b>	<b>50,000,000</b>	<b>5,000,000</b>	<b>50,000,000</b>	<b>5,000,000</b>	<b>50,000,000</b>

**Terms / Rights attached to equity shares**

The Company has only one class of equity share having par value of Rs 10 per share. Each holder of equity share is entitled to one vote per share held. All the equity shares rank pari passu in all respects including but not limited to entitlement for dividend, bonus issue and rights issue. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all liabilities in proportion to their shareholding.



## Details of shareholders having more than 5% of the total equity shares of the Company

Class of shares/Name of shareholder	As at 31.03.2020		As at 31.03.2019		As at 01.04.2018	
	No of Shares	% Held	No of Shares	% Held	No of Shares	% Held
Monotype India Limited	1,158,837	23.18%	1,158,837	23.18%	1,158,837	23.18%

## Reconciliation of number of shares outstanding and amount at the beginning and at the end of the year

Particulars	As at 31.03.2020		As at 31.03.2019		As at 01.04.2018	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
<b>Equity Shares of par value Rs 10/- fully paid up</b>						
Outstanding at the beginning of the year	5,000,000	50,000,000	5,000,000	50,000,000	5,000,000	50,000,000
Add: Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	5,000,000	50,000,000	5,000,000	50,000,000	5,000,000	50,000,000

## Other details of equity shares for a period of five years immediately preceding March 31, 2020:

Particulars	2020	2019	2018	2017	2016
Aggregate number of share allotted as fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Aggregate number of shares allotted as fully paid bonus shares	-	-	-	-	-
Aggregate number of shares bought back	-	-	-	-	-

## A. Equity Share Capital

(In Rs)

Particulars	Balance as at April 1, 2018	Changes during the year	Balance as at March 31, 2019	Changes during the year	Balance as at March 31, 2020
50,00,000 Equity Shares of Rs 10 each	50,000,000	-	50,000,000	-	50,000,000

## B. Other Equity

(In Rs)

Particulars	Reserves and Surplus			Total
	Securities Premium Reserve	NBFC Reserve Funds	Profit and Loss	
Balance at the beginning of the period (01/04/2018)	25,350,000	1,715,571	(53,092,008)	(26,026,437)
Total Comprehensive Income for the year	-	-	(3,832,653)	(3,832,653)
Transfer to retained earnings	-	-	-	-
<b>Balance at the end of the period (31/03/2019)</b>	<b>25,350,000</b>	<b>1,715,571</b>	<b>(56,924,663)</b>	<b>(29,859,092)</b>
Balance at the beginning of the reporting period (01/04/2019)	25,350,000	1,715,571	(56,924,663)	(29,859,092)
Total Comprehensive Income for the year	-	-	484,195	484,195

Particulars	Reserves and Surplus			Total
	Securities Premium Reserve	NBFC Reserve Funds	Profit and Loss	
Transfer to retained earnings	-	-	-	-
Transfer from Profit and Loss	-	96,839	(96,839)	-
<b>Balance at the end of the reporting period (31/03/2020)</b>	<b>25,350,000</b>	<b>1,812,410</b>	<b>(56,537,307)</b>	<b>(29,374,897)</b>

Particulars	As at 31st March 2020	As at 31 March 2019	As at 31 March 2018
<b>14 Other Equity</b>			
<b>1. Securities Premium Reserve</b>			
Balance at the beginning of the reporting period	25,350,000	25,350,000	25,350,000
Add : Additions during the year	-	-	-
Balance at the end of the reporting period	25,350,000	25,350,000	25,350,000
<b>2. NBFC Reserve Funds</b>			
Balance at the beginning of the reporting period	1,715,571	1,715,571	1,548,475
Amount Tranfered from P & L	96,839	-	167,096
Balance at the end of the reporting period	1,812,410	1,715,571	1,715,571
<b>3. Profit and Loss</b>			
Balance at the beginning of the reporting period	-56,924,663	-53,092,008	-53,760,391
Total Comprehensive Income for the year	484,195	-3,832,653	835,479
Transfer to retained earnings	-	-	-
Transfer to NBFC Reserve Fund	-96,839	-	-167,096
Balance at the end of the reporting period	-56,537,307	-56,924,663	-53,092,008
<b>Balance at the end of the reporting period (1+2+3)</b>	<b>-29,374,897</b>	<b>-29,859,092</b>	<b>-26,026,437</b>

#### Nature and purpose of reserve

##### (A) Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares, writing off the preliminary expenses in accordance with the provisions of the Companies Act, 2013."

- (B) Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 ( NBFC Reserve Fund) Reserve fund is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 as a statutory reserve."

##### (C) Retained Earnings:

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders."

Note No	Particulars	As at 31st March 2020	As at 31 March 2019
	<b>Revenue from Operations (Finance Company)</b>		
<b>15</b>	<b>Interest Income</b>		
	<b>On Financial Assets measured at Amortised Cost</b>		
	Interest on Loans *	1,527,688	1,773,425
	Interest on deposits with Bank	13,367	12,477
	Other Interest Income	2,468	12,680
		<b>1,543,523</b>	<b>1,798,582</b>
	* The Interest on Loans is only accrued and the same is not received by the Company.		
<b>16</b>	<b>Finance Costs</b>		
	Bank Charges	10,457	7,056
		<b>10,457</b>	<b>7,056</b>
<b>17</b>	<b>Employee Benefits Expenses</b>		
	Salaries and Wages	70,196	121,700
		<b>70,196</b>	<b>121,700</b>

Note No	Particulars	As at 31st March 2020	As at 31 March 2019
<b>18</b>	<b>Other Expenses</b>		
	Advertisement	25,419	26,462
	Administrative Charges on PF	-	1,200
	Appeal Fee	1,100	-
	Auditor's Remuneration *	118,000	118,000
	Computer Maintenance	4,775	-
	Contingent Provision against standard assets	-	2,740
	Custodian Fees	22,202	16,151
	Demat/Depository Charges	82,701	54,092
	Director Sitting Fees	38,000	34,000
	Interest on late payment of listing fee	-	32,450
	Listing Fees	354,000	295,000
	Office Exp	10,656	18,309
	Postage & Courier exp	2,831	4,254
	Printing & Stationery	8,400	37,612
	Professional Fees/Consultancy Fees	144,500	187,600
	Rents	120,000	120,000
	ROC Fees	11,400	46,100
	Monitoring Foreign Investment Charges	11,800	11,800

Note No	Particulars	As at 31st March 2020	As at 31 March 2019
	Staff Welfare	-	-
	Telephone Expenses	4,481	5,841
	Travelling Expenses	5,445	
	Miscellaneous Exp	3,680	3,680
		<b>969,390</b>	<b>1,015,291</b>
	* Payments to Auditors		
	For Audit Purpose	118,000	118,000
		<b>118,000</b>	<b>118,000</b>

**19 Income Tax Expense**

Particulars	As at 31st March 2020	As at 31st March 2019
<b>A. Components of Income Tax Expense</b>		
<b>Tax Expense recognised in the Statement of Profit and Loss</b>		
<b>Current Tax</b>		
Current Tax on the profits for the year	-	-6,800
Adjustments for current tax of prior periods	-	-
<b>Total a</b>	<b>-</b>	<b>-6,800</b>
<b>Deferred Tax</b>		
Origination and Reversal of Temporary Differences	6,186	5,056
Impact of change in tax rate	-	-
<b>Total b</b>	<b>6,186</b>	<b>5,056</b>
<b>Total (a+b)</b>	<b>6,186</b>	<b>-1,744</b>
<b>B. Reconciliation of Tax Expense and the Accounting profit multiplied by India's Tax rate</b>		
Profit/(loss) for the period	490,381	643,290
<b>Tax Expense at the Indian Tax rate of 26% (PY: 26%)</b>	<b>127,499</b>	<b>167,255</b>
Tax effects of amounts which are not deductible (taxable) in computing taxable income	-397,199	-461,091
Decrease in DTA resulting from the increase in the tax rate	-	-467
Adjustments of current tax of prior periods	-	-6,800
Tax losses for which no Deferred income tax was recognised	275,886	299,358
<b>Income Tax Expense as per profit &amp; loss</b>	<b>6,186</b>	<b>-1,744</b>

The applicable Indian corporate statutory tax rate for the year ended March 31, 2020 and March 31, 2019 is 26% and 26% respectively.

**20 Earnings Per Share  
(Basic & Diluted)**

Particulars	As at 31/03/2020	As at 31/03/2019
Net Profit / (loss) after tax for the year (in Rs.)	484,194.969	(3,832,653.26)
Profit / loss attributable to equity share holders (in Rs.)	484,194.969	(3,832,653.26)
Weighted Average Number of equity shares outstanding during the year	5,000,000	5,000,000
Basic and Diluted Earnings Per Share (Rs.)	0.10	(0.77)
Face Value per Share (Rs.)	10	10

The Company does not have any Dilutive Potential Equity Shares. Hence Basic and Diluted EPS are same.

**Note : 21 Reconciliations as per Ins AS-101 First Time Adoption of Indian Accounting Standards****Reconciliation of total equity as at 31 March 2019 and 1 April 2018**

Particulars	01.04.2018	31.03.2019
Total equity (Shareholder's funds) as per previous GAAP	23,973,563	20,140,908
Adjustments	-	-
<b>Total equity as per Ind AS</b>	<b>23,973,563</b>	<b>20,140,908</b>

**Reconciliation of total comprehensive income for the year ended 31 March 2019**

Particulars	31.03.2019
Profit after tax as per previous GAAP	(3,832,653)
Adjustments	-
Profit after tax as per Ind AS	(3,832,653)
Other Comprehensive Income	-
<b>Total Comprehensive Income for the period</b>	<b>(3,832,653)</b>

**Reconciliation of Statement of Cash flows**

There were no material differences between the Statement of Cash Flows presented under Ind AS and the Previous GAAP.

**Note 22: Fair value measurements**

Financial instruments by category:

Particulars	31st March 2020							
	Carrying Value				Fair Value hierarchy			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>								
(i) Cash and Cash Equivalents	-	-	50,435	50,435	-	-	-	-
(ii) Bank Balance other than (a) above	-	-	134,390	134,390	-	-	-	-
(iii) Loans	-	-	5,118,463	5,118,463	-	-	-	-
(iv) Investments	-	-	15,255,000	15,255,000	-	15,255,000	-	15,255,000
(v) Other Financial Assets	-	-	78,521	78,521	-	-	-	-
<b>TOTAL</b>	-	-	<b>20,636,809</b>	<b>20,636,809</b>	-	<b>15,255,000</b>	-	<b>15,255,000</b>
<b>Financial Liabilities</b>								
(i) Borrowings (Other than Debt Securities)	-	-	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-	-	-	-

## 31st March 2019

Particulars	Carrying Value				Fair Value hierarchy			
	FVTPL	FVTOCI	“Amortised Cost”	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>								
(i) Cash and Cash Equivalents	-	-	51,498	51,498	-	-	-	-
(ii) Bank Balance other than (a) above	-	-	134,390	134,390	-	-	-	-
(iii) Loans	-	-	19,748,387	19,748,387	-	-	-	-
(iv) Investments	-	-	-	-	-	-	-	-
(v) Other Financial Assets	-	-	65,154	65,154	-	-	-	-
<b>TOTAL</b>	-	-	<b>19,999,429</b>	<b>19,999,429</b>	-	-	-	-
<b>Financial Liabilities</b>								
(i) Borrowings (Other than Debt Securities)	-	-	75,000	75,000	-	-	-	-
<b>TOTAL</b>	-	-	<b>75,000</b>	<b>75,000</b>	-	-	-	-

## 1st April 2018

Particulars	Carrying Value				Fair Value hierarchy			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>								
(i) Cash and Cash Equivalents	-	-	49,438	49,438	-	-	-	-
(ii) Bank Balance other than (a) above	-	-	134,390	134,390	-	-	-	-
(iii) Loans	-	-	18,652,305	18,652,305	-	-	-	-
(iv) Investments	-	-	-	-	-	-	-	-
(v) Other Financial Assets	-	-	53,925	53,925	-	-	-	-
<b>TOTAL</b>	-	-	<b>18,836,133</b>	<b>18,836,133</b>	-	-	-	-
<b>Financial Liabilities</b>								
(i) Borrowings (Other than Debt Securities)	-	-	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-	-	-	-

The carrying amounts of Cash and Cash equivalents, Other Bank Balances, Loans, Other Financial Assets and Borrowings (Other than Debt Securities) are considered to be approximately equal to the fair value.

### I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are

- recognised and measured at fair value and,
- measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the Indian accounting standard. An explanation of each level is as follows :

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

## II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
- o Use of quoted market price or dealer quotes for similar instruments
- o Using discounted cash flow analysis.

The fair values computed above for assets measured at amortised cost are based on discounted cash flows using a current borrowing rate. They are classified as level 2 fair values in the fair value hierarchy due to the use of unobservable inputs.

## Note 23: Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

### A. Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The company is exposed to credit risk from its operating activities (primarily for loans) and from its financing activities (deposits with banks and other financial instruments).

#### Credit risk management

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

The Company's maximum exposure to credit risk as at 31st March, 2020, 2019 and 2018 is the carrying value of each class of financial assets.

#### i) Cash and Cash Equivalents

The Company held Cash and Cash Equivalents with credit worthy banks of Rs 50,435 at March 31, 2020 (March 31, 2019: Rs 51,498; April 1, 2018: Rs 49,438). The credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks where credit risk is largely perceived to be extremely insignificant.

**B. Liquidity risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities – borrowings.

**Liquidity risk management**

The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. A material and sustained shortfall in our cash flow could undermine the Company's credit rating and impair investor confidence.

The Company maintained a cautious funding strategy, with a positive cash balance throughout the year ended 31st March, 2020 and 31st March, 2019. This was the result of cash delivery from the business. Cash flow from operating activities provides the funds to service the financing of financial liabilities on a day-to-day basis. The Company's treasury department regularly monitors the rolling forecasts to ensure it has sufficient cash on-going basis to meet operational needs. Any short term surplus cash generated by the operating entities, over and above the amount required for working capital management and other operational requirements, are retained as cash and cash equivalents (to the extent required).

**C. Market risk**

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments. The Company is exposed to market risk primarily related to interest rate risk and the market value of the investments.

**i) Currency Risk**

The functional currency of the Company is Indian Rupee. Currency risk is not material, as the Company does not have any exposure in foreign currency.

**ii) Interest Rate Risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

**Exposure to interest rate risk**

According to the Company interest rate risk exposure is only for floating rate borrowings. Company does not have any floating rate borrowings on any of the Balance Sheet date disclosed in this financial statements.

**iii) Price Risk**

Price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. It arises from financial assets such as investments in quoted instruments.

**a Fair value sensitivity analysis for fixed rate Instruments**

The Company does not account for any fixed rate financial assets or financial liabilities at fair value through Profit or Loss. Therefore, a change in interest rates at the reporting date would not affect Profit or Loss.

**b Cash flow sensitivity analysis for variable rate Instruments**

The company does not have any variable rate instrument in Financial Assets or Financial Liabilities.



**Note 24: Capital Management**

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

The management monitors the return on capital as well as the level of dividends to shareholders. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

**Note 25: Related Party Transactions & Related Party Disclosures under Ind AS-24 "Related Party"**

As per Indian Accounting standard 24 "Related Party Disclosures" the Company's related parties and transactions with them are disclosed below.

**Related Parties and Their Transaction****A Key Managerial Person (KMP's)**

	<b>Name</b>	<b>Designation</b>
1	Anil Kothari	CFO & Whole time Director
2	Naresh Jain	Non-Executive Director
3	Harsh Jayprakash Choubisa	Company Secretary (resigned w.e.f 19th Aug, 2019)

**B Relatives of KMP**

1	Manisha Kothari	Wife of Whole Time Director
2	Vimladevi Kothari	Mother of Whole Time Director

**C Companies/Firm in which Directors, Director's relatives are Directors/Shareholders/Partners ((GP/F) Companies.**

1	Monotype India Limited
2	Elan Capital Advisors Private Limited
3	Jupiter City Developers India Limited

**2 Transactions during the year**

<b>Nature of Transaction</b>	<b>GP/F</b>	<b>KMP</b>	<b>Total</b>
<b>Rent Paid ( Expenses)</b>			
Monotype India Limited	120,000	NIL	120,000
	(120,000)	(NIL)	(120,000)
<b>Salary Paid (Expense)</b>			
Harsh Choubisa	NIL	70,196	70,196
	(NIL)	(120,000)	(120,000)

Nature of Transaction	GP/F	KMP	Total
<b>Purchase of shares (Investment)</b>			
Monotype India Limited	15,255,000	NIL	15,255,000
	(NIL)	(NIL)	(NIL)
<b>Reimbursement of Expenses (Expense)</b>			
Elan Capital Advisors Ltd	10,800	NIL	10,800
	(32,179)	(NIL)	(32,179)
<b>Naresh Jain</b>	<b>NIL</b>	<b>600</b>	<b>600</b>
	(NIL)	(NIL)	(NIL)
<b>Loans &amp; Advances Taken</b>			
Naresh Jain	NIL	455,000	455,000
	(NIL)	(406,600)	(406,600)
<b>Repayment of Loan</b>			
Naresh Jain	NIL	530,000	530,000
	(NIL)	(331,600)	(331,600)
<b>Loans &amp; Advances Given</b>			
Jupiter City Developers India Limited	2,500,000	NIL	2,500,000
	(NIL)	(NIL)	(NIL)
Monotype India Limited	2,300,000	NIL	2,300,000
	(NIL)	(NIL)	(NIL)
<b>Repayment of Loans and Advance Given</b>			
Jupiter City Developers India Limited	2,500,000	NIL	2,500,000
	(NIL)	(NIL)	(NIL)

Figures in brackets pertains to previous year.

### 3 Outstanding balances as on 31st March 2020

Nature of Transaction	GP/F	KMP	Total
<b>Rent Payable</b>			
Monotype India Limited	20,000	-	20,000
	(20,000)	-	(20,000)
<b>Salary Payable</b>			
Harsh Choubisa	NIL	NIL	NIL
	(NIL)	(45,000)	(45,000)
<b>Purchase of shares (Investment)</b>			
Monotype India Limited	NIL	NIL	NIL
	(NIL)	(NIL)	(NIL)
<b>Reimbursement of Expenses (Expense)</b>			
Elan Capital Advisors Ltd	NIL	NIL	NIL
	(NIL)	(NIL)	(NIL)

Nature of Transaction	GP/F	KMP	Total
Naresh Jain	NIL	600	600
	(NIL)	(NIL)	(NIL)
<b>Loan Repayable</b>			
Naresh Jain	NIL	NIL	NIL
	(NIL)	(75,000)	(75,000)
<b>Loan Receivable</b>			
Jupiter City Developers India Limited	NIL	NIL	NIL
	(NIL)	(NIL)	(NIL)
Monotype India Limited	2,300,000	NIL	2,300,000
	(NIL)	(NIL)	(NIL)

Figures in brackets pertains to previous year.

## 26. Micro, Small and Medium Enterprises

The Company has no dues to Micro, Small and Medium enterprises as at 31st March, 2020, on the basis of information provided by the parties and available on record. Further, there is no interest paid / payable to micro and small enterprises during the said financial year.

## 27. Provision against Standard Assets

Statement showing calculation Provision on Standard Assets at 0.25% on Standard Assets (in accordance with notification no DNBD 223/CGM(US) -2011 dated Jan 2011 issued by RBI)

Particulars	31.03.2020	31.03.2019
<b>Detail of Standard Assets</b>		
Advances recoverable in cash or in kind	5,118,463	19,748,387
<b>Total of Standard Assets</b>	<b>5,118,463</b>	<b>19,748,387</b>
Provision to be Made during Year @ 0.25%	12,796	49,371
Opening Balance	49,371	46,631
Additional During year	Nil	2,740

28. The company has placed Fixed Deposit of Rs. 1,34,390/- (Rs. 1,34,390/-) with bank as margin money.

**29. Transaction in Foreign Currency**

Sr. No.	Particulars	31.03.2020	31.03.2019
1	Earning in Foreign Currency	Nil	Nil
2	CIF Value of Imports	Nil	Nil
3	Expenditure in Foreign Currency	Nil	Nil

**30. Segment Information**

The Company is a NBFC and primarily engaged in Financing and Investment activity, which is considered as one segment. As such, there is no other separate reportable segment as defined by IND AS 108 "Operating Segment".

**31. Contingent Liability to the extended not provided for**

- A. Income Tax Demand for AY 2006-07 Rs. 70,74,656 /- (P.Y Rs. 70,74,656 /-)
- B. Penalties Imposed by SEBI Rs. 4,00,000 /- (P.Y Rs. 4,00,000). The company has filed appeal with Honourable Securities Appellate Tribunal, Mumbai to contest against the Penalties imposed by SEBI.
- C. Income Tax Demand for AY 2012-13 Rs. 4,23,65,400 /- (P.Y Nil).

**32.** Additional Disclosure Pursuant to Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 issued by RBI is given in **Annexure I**.

**33.** Debtors and Creditors Balances are subject to Confirmation. Debtors & Creditors Balances are as per Management Representation and relied upon by the Auditors.

**34. Effects of Covid-19**

Due to the outbreak of pandemic COVID-19 globally and in India, various delays in recovery of Loans from customers have been observed. Also, the company's management has made initial assessment of likely adverse impact on financial risks, and believes that though liquidity position of the company is impacted & the company is working towards managing the liquidity position in this uncertain and evolving time, however, the impact is likely to be short term in nature. The management does not see any medium to long term risks in the company's ability to continue as a going concern.

The Company has made a detailed disclosure to the Stock Exchange which is also stated for clarity:

Sr. No.	Particulars	Disclosures
1.	Impact of the COVID-19 pandemic on the business	<p>The impact of COVID-19 pandemic has been felt all over the world. The effect on human lives has been unprecedented. Due to the outbreak of novel Coronavirus disease, the registered office and business operations were shut down by the Company as per the lockdown directives of Government and the business of the Company has been impacted.</p> <p>As the Company is registered under Non-Banking Financial Corporation, involved in the business of Granting Loans, there were delays found in repayment of Outstanding Loan amounts from Customers. In addition, there is an expectation of further delays from Customers due to effects of the COVID 19 pandemic.</p>
2.	Steps taken to ensure smooth functioning of operations	<p>The Company is taking utmost care of its staff and work force like sanitization, social distancing, mandatory mask wearing, maintaining proper hygiene.</p> <p>We have taken cash flow and other expenses measures to smoothly manage our operations.</p>

Sr. Particulars No.	Disclosures
	The Company opened up its office activity partially from 8th June, 2020 with an extremely thin work force and operations have yet not started. The company is complying with all the guidelines issued by the Government and local bodies from time to time.
3. Estimation of the future impact of COVID-19 on its operations	April - June 2020 being lockdown months, the revenues and profitability of the Company are likely to be adversely impacted. As the business situation is very dynamic, the company is closely monitoring it, including but not limited to the repayment capabilities of our Customers.
4. Profitability	In view of lock down, the profitability during 1stquarter (April to June) is likely to be adversely impacted. As the business situation is very dynamic, the company is closely monitoring it.
5. Internal financial reporting and control	The Company has taken Cash flow control and other expenses control measures to manage the operations, weekly review mechanism adopted to review the account receivables. Hence, Internal Financial reporting and control are not affected.
6. Liquidity Position	The liquidity position of the company is impacted & the company is working towards managing the liquidity position in this uncertain and evolving time.

### 35. Prior Year Comparatives

Previous year figures have been regrouped, rearranged or reclassified wherever necessary to conform to the current year classification.

#### As per our report on even date

#### For AAGAM CAPITAL LIMITED

##### For Motilal & Associates

Chartered Accountants  
ICAI Firm Regn No. 106584W

Sd/-  
**Rishabh Jain**  
Partner  
Membership No : 179547

Sd/-  
**Anil Kothari**  
Whole Time Director & CFO  
DIN: 01991283

Sd/-  
**Naresh Jain**  
Director  
DIN: 00291963

Date : 29/06/2020  
Place : Mumbai

## Annexure I

Additional Disclosure Pursuant to Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 issued by RBI

Particulars	(₹ in Lakhs)	
	Amount Outstanding	Amount Overdue
<b>Liabilities side</b>		
<b>(1) Loans and advances availed by the non banking financial company inclusive of interest accrued thereon but not paid:</b>		
(a) Debentures : Secured	-	-
Unsecured	-	-
(other than falling within the meaning of public deposits*)		
(b) Deferred Credits	-	-
(c) Term Loans	-	-
(d) Inter-corporate loans and borrowings	-	-
(e) Commercial Paper	-	-
(f) Other Loans (From Director)	-	-
* Please see Note 1 below		
<b>Assets side</b>	<b>Amount Outstanding</b>	<b>Amount Overdue</b>
<b>(2) Break-up of Loans and Advances including bills receivables</b>		
[other than those included in (4) below] :		
(a) Secured	-	-
(b) Unsecured	51.18	-
<b>(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities</b>		
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial lease	-	-
(b) Operating lease	-	-
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire	-	-
(b) Repossessed Assets	-	-
(iii) other loans counting towards AFC activities		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-
(4) Break-up of Investments :		
<b>Current Investments</b>		
<b>1. Quoted :</b>		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-

(v) Others (please specify)	-	-
<b>2. Unquoted :</b>		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (Fixed deposits)	-	-
Long Term investments :		
<b>1. Quoted :</b>		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (Fixed Deposits)	-	-
<b>2. Unquoted :</b>		
(i) Shares : (a) Equity	152.55	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others - equity warrants	-	-

**(5) Borrower group-wise classification of assets financed as in (2) and (3) above**

Please see Note 2 below: Category	Amount net of provisions		
	Secured	Unsecured	Total
<b>1. Related Parties**</b>			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
<b>2. Other than related parties</b>	-	51.18	51.18
<b>Total</b>	-	51.18	51.18

**(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**

Please see note 3 below: Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
<b>1. Related Parties**</b>		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	152.55	152.55
<b>2. Other than related parties</b>	-	-
<b>Total</b>	<b>152.55</b>	<b>152.55</b>

**(7) Other information**

Particulars	Amount	
<b>(i) Gross Non-Performing Assets</b>		
(a) Related parties	-	-
(b) Other than related parties	-	-
<b>(ii) Net Non-Performing Assets</b>		
(a) Related parties	-	-
(b) Other than related parties	-	-
<b>(iii) Assets acquired in satisfaction of debt</b>	-	-

**Notes:**

- As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.









## Book Post

If undelivered please return to:

**Aagam Capital Limited**

**CIN:** L65990MH1991PLC064631

**Registered Office:**

Premises No.2, 1<sup>st</sup> Floor,  
Rahimtoola House, 7, Homji Street  
Fort, Mumbai – 400001.