

BOARD OF DIRECTOR'S REPORT

To,
The Members of,
FIVE X TRADECOM LIMITED

The Directors of the Company take pleasure in presenting their 9th Annual Report together with the Annual Audited Financial Statements for the financial year ended March 31, 2018.

Financial Results

The summary of the Company's financial performance for the financial year 2017-18 as compared to the previous financial year is given below:

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Revenue from Sales of Commodities	85.56	670.08
Revenue from Finance and Share Trading	99.93	105.61
Total Revenue from Operations	185.48	775.69
Other Income	2.08	0.48
Total Revenue	187.57	776.17
Profit before Dep. & Int.	29.16	15.72
Depreciation	-	0.07
Interest	0.04	0.006
Profit after Depreciation & Interest	29.12	15.65
Deferred Tax	16.26	0.08
Profit after Tax	12.86	15.57
Other Comprehensive income for the Year	(5.43)	(47.81)
Balance carried forward to balance sheet	7.43	(32.23)

Operational Review

During the year under review company has two reporting segments i.e. Commodity Trading and Finance segment, from which company generated its revenue. It is evident from the figures that company has generated comparatively less amount of revenue. The total revenue generated for the year is 187.57 Lakhs including other income as compared to 776.17 Lakhs in the previous year and thereby registering a decrease of 75.83%.

During the year company's performance was not up to the mark, on account of which company's profit has decreased to 12.86 Lakhs as against to the profit of 15.57 Lakhs of previous year. The management of the Company is very optimistic regarding performance of the Company in future and taking every possible steps and making every effort to turn the Company in to more profitable organization.

Dividend

During the year, your directors have not recommended any dividend on Equity Shares for the year under review.

Share Capital

The paid up equity share capital of the Company as on March 31, 2018 was Rs. 20,55,44,000/-. During the year under review, the Company has not issued any shares or granted stock options or sweat equity.

Indian Accounting Standards (IND AS)

The MCA notified its phase wise roadmap for the adoption of IND AS vide its notification dated February 16, 2015 announcing the companies (Indian Accounting Standards) Rules, 2015 for the application of IND AS. Accordingly, your company has adopted IND AS w.e.f. 01st April 2017.

Public Deposits

Your Company has not accepted any deposits within the meaning of Section 73 (1) and 74 of the Companies Act, 2013 read together with the companies (Acceptance of Deposits) Rules, 2014.

Changes in Director's & Key Managerial Personnel

The Composition of the Board during the year was as per the provisions of Regulation 17(1) of Listing Regulation read with the Companies Act, 2013. During the period under review, on the recommendation of Nomination and

Remuneration Committee, your Board inducted Mr. Anubhav Srinath Maurya as an Additional Director in the category of Independent Director with effect from February 01, 2017 who resigned from the company on August 14, 2018 from his directorship. Ms. Nikita Joshi was appointed as a Company Secretary of the Company w.e.f. 06th May, 2017 and resigned w.e.f. 01st November 2017. Ms. Seema Sidhu, Independent Director of the company also resigned from the office of Director w.e.f. 18th August, 2017. The Board places on record appreciation for guidance and services provided by them to the company during their tenure.

Pursuant to Section 152 of the Companies Act, 2013, Mr. Girraj Kishor Agrawal, Director, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Your Board has recommended his re-appointment.

The Board has decided to appoint Mrs. Vijayshree Desai as Managing Director and Mrs. Nikita Parekh, Mr. Vishal Sonewane, Mr. Shanker Lal Pancholia as Non Executive Independent Director of the company w.e.f. 14th August 2018 for a term of 5 consecutive years i.e. from 14th August 2018 to 13th August 2023.

Sr. No.	Name of Director/KMP	Designation	Particulars	Date
1.	Ms. Nikita Joshi	Company Secretary	Appointment	06/05/2017
2.	Ms. Aarti Gavnanng	Additional Director	Resignation	15/05/2017
3.	Ms. Seema Sidhu	Director	Resignation	12/06/2017
4.	Mr. Suresh Kharat	Director & CFO	Regularized appointment as a Director	27/07/2017
5.	Mr. Manish Raul	Director	Regularized appointment as a Director	27/07/2017
6.	Mrs. Tanu Agarwal	Director	Regularized appointment as a Director	27/07/2017
7.	Ms. Jyotsana Bhatt	Additional Director	Appointment	13/11/2017
8.	Ms. Nikita Joshi	Company Secretary	Resignation	01/11/2017
9.	Mr. Suresh Kharat	Director & CFO	Resignation	02/02/2018
10	Mr. Manish Raul	Director	Resignation	02/02/2018
11.	Mr. Anubhav Maurya	Additional Director	Appointment	02/02/2018

Directors' Responsibility Statement

In accordance with the provisions of Section 134 (3) (c) and 134 (5) of the Companies Act, 2013, and based on the information provided by management, your Directors' state that:

- In the preparation of the annual accounts for the financial year ended 31st March, 2018 the applicable accounting standards have been followed.
- Directors have selected such Accounting policies 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 corporation as at the end of March 31, 2018 and of the profit of the Company for the year ended on that date.
- Director have taken Proper and sufficient care to the best of their knowledge and ability 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.
- Directors have prepared the annual accounts on a 'going concern' basis.
- Director have laid down internal financial controls commensurate with the size of the Company and that such financial controls were adequate and were operating effectively.
- Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Declarations Given By Independent Directors

The terms and conditions of appointment of Independent Directors are as per Schedule IV of the Act. Mr. Hardikkumar Kabariya, Mr. Zubin Pardiwala and Mr. Anubhav Maurya, Independent Directors, have submitted a declaration that each of them meets the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 and there has been no change in the circumstances which may affect their status as Independent Directors during the year. The Board is also of the opinion that the Independent Directors fulfill all the conditions specified in the Companies Act, 2013 making them eligible to act as Independent Directors.

Policies on Directors' Appointment and Remuneration:

The Company adheres to the requirements prescribed in the Companies Act, 2013, rules and amendments made there under and SEBI regulations for the Appointment and Remuneration of the Directors of the Company.

The policies of the Company on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of Section 178 of the Act is placed on the website of the company on the following link <https://fivexfinance.files.wordpress.com/2017/04/criteria-of-making-payments-to-non-executive-directors.pdf>

AUDITORS

➤ INTERNAL AUDITOR

Company has appointed **M/s A.M. Gohel & Co.**, Chartered Accountants as an Internal Auditor F.Y 2018-19.

➤ STATUTORY AUDITORS

M/s. Pravin Chandak & Associates, Chartered Accountants having Registration No. 116627W, Statutory Auditors of the Company who were appointed in the 5th Annual General Meeting held in the year 2014, for a period of 5 years till the conclusion of 10th Annual General Meeting of the company to be held in the year 2019. They will continue to be Statutory Auditors for F.Y. 2018-19. The Statutory Auditors have confirmed their eligibility pursuant to section 139 of the Companies Act 2013.

Vide Notification dated May 7, 2018 issued by Ministry of Corporate Affairs; the requirement of seeking ratification of appointment of Statutory Auditors by members at each AGM has been done away with. Accordingly, no such item has been considered in Notice of the 09th Annual General Meeting.

AUDITORS REPORT

Observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments under Section 134 (1) of the Companies Act, 2013.

➤ SECRETARIAL AUDITOR

Pursuant to the requirements of Section 204(1) of the Act, and Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Doly Bhalavat & Associates, Company Secretary in Practice, to conduct the Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report as received from Ms. Doly Bhalavat is appended to this Report as **Annexure-A**.

COMMENTS ON REMARKS/OBSERVATION/QUALIFICATION MADE BY AUDITORS:

Secretarial Auditor:

M/s Doly Bhalavat & Associates, Company Secretary in Practice, in her Secretarial Auditor Report for the financial year 2017-18 have drawn the attention of the management on Non Compliance which marked as qualification in her audit report. In connection with the same management herewith give the explanation for the same as follows:

1. The Company has not been registered under Maharashtra State Tax on professions, trades, callings and Employments Act, 1975. However professional tax has been deducted from the salaries of staffs and employees and no amount deposited till reporting date. The Company will soon obtain valid Profession Tax number and will comply with the same in future.
2. As per provisions of section 45-IA of RBI Act 1934, a company is classified under various categories of Finance company if the company's financial assets are more than 50% of the total assets of the company and Gross Income from Financial activities constitute more than 50% of the gross income. This year company has generated more than 50% of gross income from finance business. Accordingly, the company is required to get registered with provision of RBI as a NBFC company therefore company will seek registration from RBI to comply with the same.

Statutory Auditor:

M/s. Pravin Chandak & Associates, Chartered Accountants, in his Independent Auditor Report for the financial year 2017-18 have drawn the attention of the management on Non Compliance which marked as qualification in his audit report. In connection with the same management herewith give the explanation for the same as follows:

As far as appropriateness of internal control system is concerned, management is having views that the company has sufficient internal control system in place commensurate to the size of the company for granting loans and over purchase and sales. The management grants demand loan only either to the parties known to the Company or by references which are governed by the Board policies. The Loan and Advances granted by the Company is considered as

good and recoverable and do not require any significant provisions and same has been closely supervised and monitored on regular basis therefore no appraisal, renewal, Policies, procedures, committee or documents have been prescribed and executed. It's difficult to establish any standard or fixed policy and procedure for granting loans, as it depends upon emergency of funds and other requirements of the clients. Further the control over purchase and sales of commodities is concerned company has reasonable internal controls system according to the size of the company and scale of operations. However as per recommendation of Auditors, the Company is under process to strengthen its controls procedures.

Number of meetings of the board

The Board meets at regular intervals to discuss. The intervening gap between the two consecutive meetings did not exceed 120 days as prescribed under the Companies Act, 2013. The details of the number of meetings of the Board held during the Financial Year 2017-18 forms part of the Corporate Governance Report.

Committees of the board

The Board of Directors has the following Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee

The details of the Committees along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report.

Material changes affecting the financial position of the company occurred

No material changes and commitments affecting the financial position of the Company occurred during Financial Year 2017-18, till the date of this report. Further there was no change in the nature of business of the Company.

Subsidiary, Joint Venture or Associate Companies

During the year, no company has become or ceased to be a subsidiary, joint venture or associate of the Company.

Board Evaluation

Pursuant to the provisions of the Act and Schedule V of SEBI (Listing Obligation & Disclosure Requirement) regulations, 2015, the Nomination and Remuneration Committee of the Board carried out the annual evaluation of the performance of the Board as a whole, the Directors individually as well as of various Committees of the Board. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of non independent Directors was also carried out by the Independent Directors at their separate meeting. The Directors expressed their satisfaction with the evaluation process.

Reports on Corporate Governance and Management Discussion & Analysis:

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI.

In compliance with Regulation 34 and Schedule V of SEBI Listing Regulations 2015, report on the Corporate Governance, along with a certificate from the Statutory Auditors of the Company on compliance with the provisions is annexed and forms part of the Annual Report.

Significant and Material Orders

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Risk Management and Internal Controls

The Board has reviewed the Risk assessment and Minimization procedure as per Regulation 17 (9) of the SEBI (LODR) Requirements, 2015; there are no material risk which in the opinion of the management affects the continuity and existence of the business. The details of the risks faced by the Company and the mitigation thereof are discussed in detail in the Management Discussion and Analysis report that forms part of the Annual Report.

The Company has adequate internal control framework in place commensurate with the size of the Company. However Company is trying to strengthen the same. The Board has adopted policies and procedures for ensuring the orderly and

efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of fraud, error reporting mechanism, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

Corporate Social Responsibility

The Company has not developed and implemented any Corporate Social Responsibility initiatives as said provisions are not applicable.

Particulars of contracts or arrangements with related parties

The particulars of contracts or arrangements with related parties referred to in sub section (1) of section 188 entered by the Company during the financial year ended 31stMarch, 2018 is annexed hereto as **Annexure -B** in prescribed Form AOC-2 and forms part of this report.

Particulars of employees and related information

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

(Amount in Lakhs)

Sr. No.	Name of Director/KMP	Remuneration Received (Rs)	% increase in Remuneration in the Financial year 2017-18	Ratio of remuneration of each Director to median remuneration of employees
1	Mrs. Tanu Giriraj Agarwal (Director)	NIL	NIL	NIL
2	Mr. Amit Gulecha (Managing Director)	NIL	NIL	NIL
3	Mr. Girraj Kishor Agrawal (Non Executive Director)	NIL	NIL	NIL
4	*Ms. Seema Sidhu (Independent Director)	NIL	NIL	NIL
5	Mr. Zubin Jasi Pardiwala (Independent Director)	NIL	NIL	NIL
6	Mr. Hardikkumar Bharatbhai Kabariya (Independent Director)	NIL	NIL	NIL
7	*Ms. Nikita Joshi (Company Secretary)	1.84	NIL	1.59
8	@Mr. Anubhav Maurya (Additional Director)	NIL	NIL	NIL
9	Mr. Vinod Laxman Prabhu (CFO)	2.15	20%	1.85

Notes; * Resigned w.e.f. 18/08/2017, 01/11/2017 resp. @Appointed w.e.f. 01/02/2018

All appointments are / were non-contractual.

- There were 5 employees on the roll of Company during the year.
- The median remuneration of the Company is Rs. 1.16 Lakh.
- Remuneration as shown above comprises of Salary, Leave Salary, Bonus, Leave Travel Assistance, Medical Benefit, House Rent Allowance, Perquisites and Remuneration on Cash basis.

Extract of Annual Return

The Extract of Annual Return in form No.MGT-9 as per Section 134 (3) (a) of the Companies Act, 2013 read with Rule 8 of Companies Act (Accounts) Rules 2014 and Rule 12 of Companies (Management & Administration) Rules, 2014 is annexed hereto and forms part of this report as **Annexure -C**.

Conservation of Energy and Technology Absorption

In view of the nature of activities which are being carried on by the Company, the particulars as prescribed under Section 134(3) (m) of the Act read with Companies' (Accounts) Rules, 2014 regarding Conservation of Energy and Technology Absorption, and research and development are not applicable to the Company.

Listing of Shares of the Company

The Equity Shares of your Company continue to remain listed on Bombay Stock Exchange Ltd. The Company has paid the listing fees to the BSE Ltd. for the financial year 2018-19 on time.

Particulars of Loans, Guarantees or Investments

Details of investments covered under the provisions of Section 186 of the Companies Act, 2013 will be produced for verification to the members on their specific request.

Foreign Exchange

There is no inflow and outflow of Foreign Exchange.

Postal Ballot

During Financial year 2017-2018, postal ballot was not conducted by the Company.

Prevention of Insider Trading

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

Vigil Mechanism/Whistle Blower Policy

The Company has established a vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the Management, the concerns about behaviour of employees that raise concerns including fraud by using the mechanism provided in the Whistle Blower Policy. The details of the said Policy are included in the Report on Corporate Governance which forms part of the Annual Report.

During the financial year 2017-18, no cases under this mechanism were reported in the Company and any of its subsidiaries/ associates.

Policy for Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace

The company has framed policy in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the financial year 2017-18, no cases in the nature of sexual harassment were reported at any workplace of the company

Appreciation and Acknowledgement

Your Directors would like to express their appreciation for the assistance and co-operation received from the Government authorities, banks, customers, business associates and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the executives, staff and workers of the Company.

For & On behalf of the Board of Directors

Sd/-
Girraj Kishor Agrawal
Director
DIN: 00290959

Sd/-
Tanu Giriraj Agarwal
Director
DIN: 00290966

Date: 14/08/2018
Place: Mumbai