

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 26th Annual Report of the Company together with the Audited Financial Statements for the financial year ended 31st March, 2018.

FINANCIAL HIGHLIGHTS**(Amount In ₹)**

Particulars	31.03.2018	31.03.2017
Total Income	16,84,633	17,31,125
Total Expenditure	8,33,492	9,25,673
Profit before exceptional and extraordinary items and tax	8,51,141	8,05,453
Less: Exceptional item	-	-
Profit before extraordinary items and tax	8,51,141	8,05,453
Tax	15,662	(1,43,896)
Net Profit/(Loss) After Tax	8,35,479	9,49,349

PERFORMANCE OVERVIEW

The net profit for the period ended 31st March, 2018 is ₹ 8, 35,479 as against ₹ 9,49,349 during the last year showing decrease of around 12% as compared to previous year. The total income of the company decreased from ₹ 17, 31,125 to ₹ 16, 84,633. The EPS of the company for the year under review is ₹ 0.17 which is less as compared to previous financial year. Your directors ensures that it will make all efforts to improve the performance during the current year.

DIVIDEND

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

AMOUNT TRANSFERRED TO RESERVE

During the year company has transferred an amount of ₹1,67,096 to Special Reserve account in compliance with Section 45IC of the RBI Act, 1934.

DEPOSITS

Your company is a non-deposit taking category NBFC and therefore does not have any public deposits within the meaning of Section 73 of the Companies Act, 2013.

CHANGES IN SHARE CAPITAL

During the year under review, there was no change in the issued, subscribed and paid-up share capital of the company.

SUBSIDIARIES / JOINT VENTURE / ASSOCIATE COMPANY

The Company does not have any joint venture/ subsidiary/ associate company during the year 2017-18.

STATE OF AFFAIRS OF THE COMPANY

The main business activity of the company is of granting loans and advances and making investments. The company runs through persons having relevant experience and expertise in the concerned area of operations of the company with motive to take the company at a new stage from where it currently stands.

COMPOUNDING OF OFFENCES

The Regional Director had carried out inspection of Books of Accounts and other statutory records under section 206(5) /207 of the Companies Act, 2013. Pursuant to the said inspection various Show Cause Notices has been issued for violation of various section of the Companies Act, 2013/1956.

The violation mentioned in the show cause notices 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 .

CHANGE IN THE NATURE OF BUSINESS, IF ANY

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

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

There are no material changes and commitments, affecting the financial position of the Company that have occurred between the close of the financial year ended 31st March 2018 and the date of this Boards' Report.

CORPORATE SOCIAL RESPONSIBILITY

The present financial position of the company does not mandate the implementation of CSR activities pursuant to the provisions of section 135 and schedule VII of the Companies Act,2013. The company will constitute CSR Committee, develop CSR policy and implement the CSR initiatives whenever it is applicable to the company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and Rules made there under and the Articles of Association of the Company, Mr. Anil Kothari (DIN-01991283), Director of the Company, liable to retire by rotation at the ensuing Annual General Meeting and being eligible offered himself for re-appointment.

Mrs. Dhruva Thakkar was appointed as an Additional Director of your Company w.e.f May 10, 2017 .

Mr. Shital Mutha and Mrs. Sudharshana Mitra resigned as Independent Director w.e.f May 02, 2017 and August 01, 2017. The Board places on record its appreciation for there contributions during their tenure as Director of the Company.

Mr. Harsh Choubisa is appointed as Company Secretary and Compliance Officer w.e.f 26th July ,2018. Mrs. Sanhita Narayan resigned as Company Secretary and Compliance Officer w.e.f 14th April,2017.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and regulation 17(10) of SEBI (LODR)Regulation,2015 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 carried out have been made available on the website of the Company i.e www.aagamcap.com.

POLICY ON DIRECTORS' 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 policy 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 Companies Act, 2013 is available on the website of the Company i.e www.aagamcap.com. There has been no change in the policy since the last fiscal year.

COMMITTEES OF THE BOARD

The Company has the following Committees of the Board :

1. Audit Committee
2. Nomination and Remuneration Committee
3. 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.

MEETING OF BOARD OF DIRECTORS

During the year under review, 4(Four) Board Meetings were held on 10.05.2017, 10.08.2017, 13.11.2017 and on 12.02.2018. 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	Mrs. Sudarshana Mitra	Mrs. Dhrupa Thakkar	Mrs. Preeti Doshi
Attendance at the Board Meeting						
10.05.2017	Yes	Yes	Yes	Yes	No	Yes
10.08.2017	Yes	Yes	Yes	No	Yes	Yes
13.11.2017	Yes	Yes	Yes	No	Yes	Yes
12.02.2018	Yes	Yes	Yes	No	Yes	Yes

MEETING OF INDEPENDENT DIRECTORS

Pursuant of the provision of Section 149 (8) of the Companies Act, 2013 read with Schedule IV and SEBI(LODR)Regulations,2015 the Independent Directors meeting was held on 12th February,2018.

DECLARATION BY THE INDEPENDENT DIRECTORS

The Company has received necessary declaration from each Independent Director pursuant to the requirement of the Companies Act, 2013, that he/she meets the criteria of independence laid down in section 149(6) of the Companies Act, 2013 and SEBI(LODR)Regulations,2015.

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.

RELATED PARTY TRANSACTIONS

There were no materially significant related party transactions which may have potential conflict with the interest of the company at large. Transactions with related parties are in the ordinary course of business and on arm's length and are periodically placed before the Audit Committee and Board for its approvals. Hence there does not exists any details to be maintained in Form AOC-2 which is attached as **Annexure – I**.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Since the Company is NBFC and engaged in business of loans and advances, Section 186 is not applicable to the Company by virtue of exemption given in subsection (11) of section 186.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2)(e) of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 forms part of this report.

EXTRACT OF ANNUAL RETURN

The extract of the Annual Return as provided in Form MGT-9 for financial year 2017-18 is attached as **Annexure - II**.

RISK MANAGEMENT POLICY

Risk Management is the process of identification, assessment and prioritization of risks followed by coordinated efforts to minimize, monitor and mitigate/control the probability and/or impact of unfortunate events or to maximize the realization of opportunities. The Company has laid down a comprehensive Risk Assessment and Minimization Procedure. This procedure is reviewed to ensure that the Executive Management controls risk through means of a properly defined framework.

WHISTLE BLOWER POLICY / VIGIL MECHANISM

In compliance with the provisions of Section 177(9) of the Companies Act, 2013 and SEBI Listing Regulations, the Company has framed a Whistle Blower Policy / Vigil Mechanism for Directors, employees and stakeholders for reporting genuine concerns about any instance of any irregularity, unethical practice and/ or misconduct. The details of the Vigil Mechanism / Whistle Blower Policy are also posted on the Company's website and may be accessed at www.aagamcap.com.

INTERNAL CONTROL SYSTEMS

The company has in place adequate internal controls commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence the Internal Auditors report to the chairman of Audit committee of the Board. Internal Auditors monitor and evaluate the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the Section 134(3)(c) and Section 134 (5) of the Companies Act, 2013, the Board of Directors of the Company hereby confirm that :

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures if any;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 and loss of the Company for that period.
- (iii) the Directors 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) the Directors have prepared the annual accounts for the financial year ended 31st March 2018 on a 'going concern' basis.
- (v) the internal financial controls laid and have been followed by the company and that such controls are adequate and are operating effectively.
- (vi) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATUTORY AUDITORS AND HIS REPORT

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendation made by the Audit Committee of the Board of Directors of the Company, M/s. Motilal & Associates , having Registration No. 106584W allotted by The Institute of Chartered Accountants of India (ICAI), was

re-appointed as the Statutory Auditors of the Company from the conclusion of the 26th AGM of the Company held on 28th September 2018 till the conclusion of the 31st AGM to be held in the year 2023. Accordingly, a Resolution seeking for their re-appointment is included at Item No. 3 of the Notice convening the AGM.

There is no qualification, reservation or adverse remark or disclaimer in audit report issued by the auditors of the Company.

SECRETARIAL AUDITOR AND HIS REPORT

The secretarial audit report on the compliance of the applicable Acts, Laws, Rules, Regulations, Guidelines, SEBI(LODR) etc. stipulated by the provisions of section 204 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report as **Annexure – III**.

The Secretarial Auditor has qualified his report with respect to the following :-

During the year, the Company has not complied with provision of section 203 for the appointment of Whole Time Company Secretary.

The Board of Directors would like to state that it has appointed Mr. Harsh Choubisa as Whole Time Company Secretary w. e. f. 26th July, 2018.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE COURTS / REGULATORS

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.

PARTICULARS OF EMPLOYEES.

There was no employee drawing remuneration in excess of limits prescribed under section 197 of the companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

Company has adopted a policy for prevention of Sexual Harassment of Women at Workplace. Your Company affirms that during the year there were no complaints reported under the Sexual Harassment of Woman at Workplace.

CONSERVATION OF ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 are given in **Annexure - IV** annexed hereto and forms part of this Report.

ACKNOWLEDGMENT

Your Directors record their appreciation for the encouragement, assistance and co-operation received from members, government authorities, banks, customers and all other stakeholders. They also thank them for the trust reposed in the Management and wish to thank all employees for their commitment and contribution.

Date :- 13.08.2018

Place:- Mumbai

For and on behalf of the Board of Directors

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

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