

# **AAGAM CAPITAL LIMITED**

(Formerly known as Subhkam Capital Limited)

## **ANNUAL REPORT**

**2012-2013**

## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

Mr. Vikash Kumar	Director
Mr. Anil Kothari	Director
Mr. Shital Mutha	Director
Mr. Januram Hinduram Choudhary	Director
Mr. Shailendra Kumar Patni	Director

### **BANKERS**

Axis Bank Limited

### **AUDITORS**

Mehta Chokshi & Shah  
Chartered Accountants,  
229, Bokadia Mansion,  
Princess Street,  
Mumbai 400 002.

### **REGISTERED OFFICE**

'Room No 2, 3rd floor, 5/7,  
Kothari House, OAK Lane Fort,  
Mumbai – 400 023.  
Email: aagamcltd@gmail.com

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**NOTICE**

NOTICE IS HEREBY GIVEN THAT the Twenty first Annual General Meeting of the Members of **AAGAM CAPITAL LIMITED** will be held on Saturday 28<sup>th</sup> September 2013 at Room No.2,2<sup>nd</sup> Floor, Beaumoon Chambers, N.M Road, Fort, Mumbai – 400001 at 5.00 P.M to transact the following business :

**ORDINARY BUSINESS:**

1. To receive, consider & adopt the Audited Balance Sheet as on March 31, 2013, the Profit & Loss Account and Cash Flow for the year ended as on that date together with the Report of Directors and Auditors thereon.
2. To appoint M/s Motilal & Associates, Chartered Accountants, Mumbai as Auditors of the Company in place of retiring Auditors M/s Mehta Chokshi & Shah Chartered Accountants, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

“RESOLVED THAT M/s Motilal & Associates, Chartered Accountants, Mumbai (Firm registration No : 106584W) , be and is hereby appointed as Auditors of the Company to hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Directors in consultation with the Auditors.

**SPECIAL BUSINESS:**

3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Shri Vikash Kumar, who was appointed as Additional Director of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom a notice has been received from a member of the Company in terms of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company.”

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Shri Januram Hinduram Choudhary, who was appointed as Additional Director of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom a notice has been received from a member of the Company in terms of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company.”

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Shri Shailendra Kumar Patni, who was appointed as Additional Director of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom a notice has been received from a member of the Company in terms of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company.”

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Shri Shital Mutha, who was appointed as Additional Director of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom a notice has been received from a member of the Company in terms of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company.”

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Shri Anil Kothari, who was appointed as Additional Director of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom a notice has been received from a member of the Company in terms of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company.”

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

Place: Mumbai  
Date: 14<sup>th</sup> August, 2013

Shri Vikash Kumar  
Chairman

**Registered Office:**  
Room No 2, 3rd floor, 5/7,  
Kothari House, OAK Lane Fort,  
Mumbai – 400 023.

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE THE TIME FIXED FOR HOLDING THE MEETING.
2. The Register of Members & Share Transfer Books of the Company will remain closed on Thursday, 26<sup>th</sup> September, 2013 to Saturday 28<sup>th</sup> September, 2013 (both days inclusive).
3. The Company has appointed M/s Big Share Services Pvt. Ltd. as the Registrars and Transfer Agents for both physical as well as electronic transfers. The equity shares of the Company have been inducted in both National Securities Depositories Limited and Central Depositories Services (India) Limited to enable shareholders to hold and trade the securities in dematerialised / electronic form. (ISIN No. INE817D01013)
4. Members are requested to notify changes, if any, in their address and /or the bank mandate details to the Company's Registrars and Share Transfer Agents for shares held in physical form and to their respective Depository Participants for shares held in electronic form.
5. Information required to be furnished under clause 49 of the Listing Agreement for Directors seeking appointment/reappointment in forthcoming Annual General Meeting.

1. Mr. Vikash Kumar	Din No. 02607217
Date of Birth	13/08/1983
Date of Appointment	23/10/2012
Expertise	Finance
Qualification	Chartered Accountant
Other directorship	M/s. Yana Metal Trade Private Limited M/s. Dutyal Developer Private Limited
Chairman/Members of the Committee in other Companies	Nil
No. of shares held in the Company	Nil

2. Shri Januram Hinduram Choudhary	Din No. 03501141
Date of Birth	23/12/1983
Date of Appointment	23/10/2012
Expertise	Financial Expert
Qualification	MBA
Other directorship	M/s. Shampa Trading Private Limited M/s. Indravarun Trade Impex Private Limited Limited
Chairman/Members of the Committee in other Companies	Nil
No. of shares held in the Company	Nil

3. Shri Shailendra Kumar Patni	Din No. 05281098
Date of Birth	28/02/1987
Date of Appointment	05/12/2012
Expertise	Internal Audit
Qualification	Chartered Accountant
Other directorship	Nil
Chairman/Members of the Committee in other Companies	Nil
No. of shares held in the Company	Nil

4. Shri Shital Mutha	Din No. 03157346
Date of Birth	07/06/1978
Date of Appointment	05/04/2013
Expertise	Finance & Taxation
Qualification	Chartered Accountant
Other directorship	Risa International Ltd.
Chairman/Members of the Committee in other Companies	1
No. of shares held in the Company	Nil

5. Mr. Anil Kothari	Din No. 01991283
Date of Birth	03/08/1969
Date of Appointment	28/05/2013
Expertise	Capital & Real-estate Market
Qualification	B.Com
Other directorship	Nil
Chairman/Members of the Committee in other Companies	Nil
No. of shares held in the Company	Nil

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**EXPLANATORY STATEMENT PURSUANT TO THE SECTION 173 (2) OF  
THE COMPANIES ACT, 1956**

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**ITEM NO. 3**

Shri Vikash Kumar was appointed as an Additional Director of the Company pursuant to the Section 260 of the Companies Act, 1956, effective from October 23, 2012 and hold office as director only upto the date of ensuing AGM. The Company has received a notice from a member in terms of Section 257 of the Companies Act, 1956 proposing the candidature of Shri Vikash Kumar as a Director of the Company.

None of the Directors, except Shri Vikash Kumar himself, is concerned or interested in the proposed resolution.

**ITEM NO. 4**

Shri Januram Hinduram Choudhary was appointed as an Additional Director of the Company pursuant to the Section 260 of the Companies Act, 1956, effective from October 23, 2012 and hold office as director only upto the date of ensuing AGM. The Company has received a notice from a member in terms of Section 257 of the Companies Act, 1956 proposing the candidature of Shri Januram Hinduram Choudhary as a Director of the Company.

None of the Directors, except Shri Januram Hinduram Choudhary himself, is concerned or interested in the proposed resolution.

**ITEM NO. 5**

Shri Shailendra Kumar Patni, was appointed as an Additional Director of the Company pursuant to the Section 260 of the Companies Act, 1956, effective from December 5<sup>th</sup>, 2012 and hold office as director only upto the date of ensuing AGM. The Company has received a notice from a member in terms of Section 257 of the Companies Act, 1956 proposing the candidature of Shri Shailendra Kumar Patni, as a Director of the Company.

None of the Directors, except Shri Shailendra Kumar Patni, himself, is concerned or interested in the proposed resolution.

**ITEM NO. 6**

Shri Shital Mutha, was appointed as an Additional Director of the Company pursuant to the Section 260 of the Companies Act, 1956, effective from April 5<sup>th</sup>, 2013 and hold office as director only upto the date of ensuing AGM. The Company has received a notice from a member in terms of Section 257 of the Companies Act, 1956 proposing the candidature of Shri Shital Mutha, as a Director of the Company.

None of the Directors, except Shri Shital Mutha, himself, is concerned or interested in the proposed resolution.

**ITEM NO. 7**

Shri Anil Kothari, was appointed as an Additional Director of the Company pursuant to the Section 260 of the Companies Act, 1956, effective from May 28<sup>th</sup>, 2013 and hold office as director only upto the date of ensuing AGM. The Company has received a notice from a member in terms of Section 257 of the Companies Act, 1956 proposing the candidature of Shri Anil Kothari, as a Director of the Company.

None of the Directors, except Shri Anil Kothari, himself, is concerned or interested in the proposed resolution.

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

Place: Mumbai  
Date: August 14<sup>th</sup>, 2012

**Shri Vikash Kumar  
Chairman**

**Registered Office:**  
'Room No 2, 3rd floor, 5/7,  
Kothari House, OAK Lane Fort,  
Mumbai – 400 023.

**DIRECTORS' REPORT**

To The Members,

The Directors of your company present the Twenty first Annual Report and the Statement of Audited Accounts for the year ended 31<sup>st</sup> March 2013.

**FINANCIAL HIGHLIGHTS:**

(Rs. In Lakhs)

	<b>Year Ended 31st March 2013</b>	<b>Year Ended 31st March 2012</b>
Operational & Other Income	184,697,773	384,865,101
Profit/(Loss) before Depreciation & Tax	(2,78,65,345)	(38,670,184)
Less: Depreciation	1,757,095	2,062,079
Profit/ (Loss) before Tax	(26,108,250)	(36,608,105)
Less: Provision for tax		
- Current Tax	—	—
- Deferred Tax	—	—
- Fringe Benefit Tax	—	—
- MAT Credit Entitlement	—	—
- (Excess)/ Short Provision for Tax of Earlier Year	204,158	—
Profit / (Loss) after Tax	(26,312,408)	(36,608,105)

**OPERATIONS:**

There is a loss after tax amounting to Rs. 26,312,408 as compared to the previous year was Rs. 36,608,105.

**DIVIDEND & APPROPRIATIONS:**

The Board of Directors of the Company do not recommend any dividend for the year 2012-2013. During the year under review the Company has transferred an amount of Rs. NIL out of current profits to Reserve Fund in accordance with Section 45-IC of the RBI Act, 1934.

**DIRECTORS**

During the year under review following changes took place in the board.

1. Mr. Vikash Kumar and Mr. Junuram Hinduram Choudhary was Appointed as additional director of the company in the board meeting held on 23rd October 2012.
2. Mr. Shailendra Kumar Patni was appointed as additional director of the company in the board meeting held on 5th December 2012.
3. Mr. Shital Mutha was appointed as additional director of the company in the board meeting held on 5th April 2013.
4. Mr. Anil Kothari was appointed as additional director of the company in the board meeting held on 28th May 2013.

The Directors place on record their sincere appreciation for the guidance and valuable contributions by the them during his tenure.

### **DIRECTORS RESPONSIBILITY STATEMENT:**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956:

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. That the Directors have selected such accounting policies and applied them consistently and made judgements 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 loss of the Company for the year under review;
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the Annual Accounts for the year ended 31<sup>st</sup> March, 2013 have been prepared on a going concern basis.

### **MANAGEMENT DISCUSSION & ANALYSIS:**

Management Discussion & Analysis Report for the year under review as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is presented separately in the Annual Report.

### **AUDITORS:**

M/s. Mehta Chokshi & Shah., Chartered Accountants, the Company's Auditors will retire at the conclusion of the ensuing Annual General Meeting and M/s. Motilal & Associates, Chartered Accountant Mumbai will appoint as auditors of the company till the conclusion of next 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 217(3) of the Companies Act, 1956

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

#### **(A) Conservation of Energy and Technology Absorption:**

In view of the nature of activities which are being carried out by the Company, your Directors have nothing to state in connection with Conservation of Energy and technology Absorption as specified in Rules 2A and 2B of the Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988.

#### **(B) Foreign Exchange Earning & Outgo**

During the year under review, the Company did not have any Foreign Exchange Earnings or Outgo.

### **CORPORATE GOVERNANCE:**

As per Clause 49 of the Listing Agreement, the code of Corporate Governance is applicable to your Company. A detailed report on Corporate Governance, declaration of Director and a certificate from a Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed and forms part of this report.



**FIXED DEPOSITS:**

The Company has not accepted or renewed any deposit from public during the year under review.

**PARTICULARS OF EMPLOYEES:**

During the year under review, none of the employees of the Company was in receipt of remuneration exceeding the limits prescribed under section 217 (2A) of the Companies Act, 1956 and the rules made there under as amended.

**ACKNOWLEDGEMENTS:**

The Directors wish to express their gratitude to the bankers, Clients, and all the Business Associates for their continuous support to the Company and to the Shareholders for the confidence reposed in the Company's management. The Directors also convey their appreciation to all the employees at all levels for their enormous personal efforts as well as collective contribution.

**For & on behalf of the Board of Director**

Place : Mumbai  
Date : August 14<sup>th</sup> , 2013

**Shri Vikash Kumar  
Chairman**

**REPORT ON MANAGEMENT DISCUSSION & ANALYSIS:****Industry Structure and Development**

There has been decline in the capital market indices and the market turnover. The reasons for downward market movement are:

- Subdued FII inflows into the country led to a decline in Indian markets and contributed to the sharp depreciation of the rupee in the forex market, though much of the depreciation was troubled due to European and inflation-hit emerging market economies.
- Moderation in the growth rate of the economy has also affected market sentiments. This moderation in growth is on account of several factors, including the uncertainty in the global environment and lag effect of monetary policy tightening.
- Monetary tightening in India has led to some correction in stock markets, just as it happened in other emerging market economies as their central banks tightened their grips.

**Segment wise or Product wise performance**

At present the Company is carrying out its operations in only one segment namely, Finance & Investment.

**Opportunities & Threats**

Business conditions continue to be challenging and Business growth will depend on the recovery of the global economies. The growth of the Company is subject to opportunities and threats as are applicable to the industry from time to time.

**Outlook, Risks & Concerns**

The Company is exposed to specific risks that are particular to its businesses and the environment within which it operates, including capital market volatility, economic cycle, and credit risk. The Company manages these risks by maintaining a conservative financial profile and by following prudent business and risk management policies.

**Internal Control Systems**

The Company has set in place adequate systems and procedures to effectively run and manage its operations.

**REPORT ON CORPORATE GOVERNANCE****1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

Aagam Capital Limited believes that good corporate governance generates goodwill among business partners, creditors, employees and investors, earns respect from society, brings about a consistent sustainable growth for the Company and generates competitive returns for the Investors. Your Company is committed to the principles of good corporate governance.

**2. BOARD OF DIRECTORS**

The present Board comprises of five members, Two of Them are Non-Executive Independent Directors and three of them are Executive Directors. Name and category of each director is given below.

Name of Director	Category	Attendance at		Directorship in other Companies	Membership in Board Committees of other Companies
		Board Meetings (Out of 7)	Last AGM		
Shri Vikash Kumar **	Executive Chairman	5	No	-	-
Shri Januram Hinduram Choudhary **	Executive	5	No	-	-
Shri Shailendra kumar patni, **	Non Executive Independent	3	No	-	-
Shri Rakesh S Kathotia *	Non-Executive Chairman / Promoter	2	Yes	N.A	-
Shri Manu Punnoose *	Non-Executive/ Independent	5	Yes	N.A	-
Shri V Shridharan *	Non-Executive/ Independent	2	Yes	N.A	-
Mr. Shital Mutha **	Non Executive/ Independent	-	No	1	1
Mr. Anil Kothari **	Executive	-	No	-	-

*Ignored the Directorship in Private Limited Companies*

\* Resigned Directors during the year under review

\*\* Appointed Director in the year under review

**NOTE****Resignation of Directors/Company Secretary during the Year.**

1. Mr. Rakesh S Kathotia Resigned from the Company wef 23<sup>rd</sup> October 2012.
2. Mr. Sridharan Veeraraghavan Resigned from the Company wef 23<sup>rd</sup> October 2012.
3. Mr. Manu Punnoose Resigned from the Company wef 11<sup>th</sup> January 2013.
4. Mrs.Perna Bothra Badalia (Company Secretary) Resigned from the Company wef 10<sup>th</sup> May 2013.

**Appointment of directors as on the 14<sup>th</sup> August 2013.**

1. Mr. Vikash Kumar Appointed wef 23<sup>rd</sup> October 2012
2. Mr. Junuram Hinduram Choudhary Appointed wef 23<sup>rd</sup> October 2012
3. Mr. Shailendra Kumar Patni Appointed wef 5<sup>th</sup> December 2012
4. Mr. Shital Mutha Appointed wef 5<sup>th</sup> April 2013.
5. Mr. Anil Kothari Appointed wef 28<sup>th</sup> May 2013

During the financial year 2012-2013 under review, the Board of Directors met 7 times on the following dates: 28<sup>th</sup> May, 2012, 9<sup>th</sup> August, 2012, 23<sup>rd</sup> October 2012, 6<sup>th</sup> November, 2012, 5<sup>th</sup> December 2012, 11<sup>th</sup> January 2013, & 19<sup>th</sup> January 2013.

**3. AUDIT COMMITTEE**

The Company has an Audit Committee consisting of the following Directors:  
The audit Committee till 9<sup>th</sup> August 2012.

Name	Designation	Category
Shri V Shridharan	Chairman	Non-Executive, Independent
Shri Manu Punnoose	Director/Member	Non-Executive, Independent
Shri Rakesh S Kathortia	Director/Member	Executive

The Audit Committee for the Meeting held on October 23<sup>rd</sup> 2012.

Name	Designation	Category
Mr. Manu Punnoose	Chairman	Independent Director
Mr. Junuram Hinduram Choudhary	Director Member	Executive
Mr. Vikash Kumar	Director Member	Executive

There after the audit committee has been reconstituted as follows.

Name	Designation	Category
Shri Shailendra kumar patni,	Chairman	Independent Director
Mr. Junaram Hinduram Choudhary	Director Member	Executive
Mr. Vikash Kumar	Director Member	Executive

Four audit committee meetings were held during the year 2012-2013 on 28<sup>th</sup> May, 2012, 9<sup>th</sup> August, 2012, 23<sup>rd</sup> October 2012, and 19<sup>th</sup> January, 2013. The audit committee invites such executives as it considers appropriate including and the representative of the statutory auditors to be present at the meetings of the committee. The Company Secretary Acts as the Secretary to the Audit Committee The terms of reference of the audit committee includes the following:

- a. Reviewing the Company's financial reporting process and the disclosure of its financial information.
- b. Recommending the appointment and removal of auditors, fixation of audit fees and also approval for payment for any other services.
- c. Reviewing with the management the half yearly / annual financial statements before submission to the Board.
- d. Reviewing with the management the Quarterly financial statements before submission to the Board for approval.
- e. Reviewing with the management, performance of auditors, and the adequacy of internal control systems.
- f. Discussion with the auditors, before the audit commences, nature and scope of audit as well as have post audit discussions in the area of concern.
- g. To look into the reasons for the substantial defaults in the payment to the shareholders (in case of non payment of declared dividends) and creditors.
- h. Any other matter that may be delegated by the Board from time to time.

#### 4. REMUNERATION COMMITTEE

The Board of Directors has not appointed a separate remuneration committee, it being a non-mandatory requirement. At present no remuneration excluding sitting fees is paid to the directors.

#### 5. INVESTOR GRIEVANCE COMMITTEE

The Share Transfer Committee consists of following Directors, Shri Shailendra kumar patni, Mr. Junuram Hinduram Choudhary Mr. Vikash Kumar as its members. All Shares are transferred within a period of 15 days from the date of receipt as long as the documents are clear in all respects and there are no complaints pending.

**Company Secretary/Compliance Officer: Mrs. Purna Bothra Badalia, (Till 10<sup>th</sup> May 2013)**

The Company has appointed M/s Bigshare Services Private Limited as its Registrar and Share Transfer Agent. During the year under review, no complaints have been received from shareholders.

#### 6. DETAILS OF GENERAL BODY MEETING

1. Location and Time where last three AGMs were held

Year	Location	Date	Time
2011-2012	The International House, 4 <sup>th</sup> Floor, New Marine Lines cross Rd. No. 1, 16, Maharshi Karve Rd, Churchgate, Mumbai – 400020	28.09.2012	11.00 A.M
2010 – 2011	The International House, 4 <sup>th</sup> Floor, New Marine Lines cross Rd. No. 1, 16, Maharshi Karve Rd, Churchgate, Mumbai – 400020	02.08.2011	10:00 A.M.
2009 – 2010	1201/1202, Maker Chambers– V Nariman Point, Mumbai – 400 021	03.09.2010	4.00 P.M.

2. No special resolution was put through Postal Ballot at the last AGM or during the year under review.
3. The Extra ordinary General Meeting was held on 5<sup>th</sup> December 2012 For Change of Name from 'Subhkam Capital Limited' to 'Aagam Capital Limited'.

## 7. DISCLOSURES

- a) Transactions with related parties are disclosed in pt. No. 7 of Note 19 Notes to the Financial Statements to the Accounts in the Annual Report.
  - b) The Company has complied with the requisite regulations relating to capital markets. There were no penalties or strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.
  - c) The Company has complied with the Mandatory requirements of Clause 49 of the Listing Agreement and has not implemented any non-mandatory requirements.
  - d) Quarterly results are taken on record by the Board of Directors and submitted to the Stock Exchange timely.
8. The Management Discussion and Analysis Report forms part of the Director's Report.

## 9. MEANS OF COMMUNICATION

The quarterly financial results of the Company are normally published in the "Business Standard (English)" and "Mahanayak (Marathi)".

The quarterly financial results and half-yearly financial results of the Company are not sent to each shareholder. However, the company ensures that its financial results are sent to the concerned Stock Exchange immediately after the same have been considered and taken on record by the Board of Directors.

The Management Discussion and Analysis Report is a part of the Annual Report of the Company for the year under review.

## 10. GENERAL SHAREHOLDER INFORMATION

- a) The Twenty First Annual General Meeting of the Company will be held on Saturday 28<sup>th</sup> September 2013 at Room No.2, 2nd Floor, Beaumoon Chambers, N. M Road, Fort, Mumbai – 400001 at 5.00 P.M.
- b) Financial Calendar for the year 2013-2014 (Tentative Dates)
 

Results for the first quarter ending 31 <sup>st</sup> March 2013	:	within 45 days of the end of quarter
Results for the second quarter ending 30 <sup>th</sup> June 2013	:	within 45 days of the end of quarter
Results for the third quarter ending 31 <sup>st</sup> Dec 2013	:	within 45 days of the end of quarter
Results for the year ending 31 <sup>st</sup> March 2014	:	within 60 days of the end of year
- c) The Register of Members and Share Transfer Books of the company will remain closed on Thursday, 26<sup>th</sup> September, 2013 to Saturday, 28<sup>th</sup> September, 2013 (both days inclusive).
- d) The equity shares of the Company are listed on the BSE Limited. The Company has paid the listing fees for the year under review.

- e) Stock code at BSE Limited : 531866  
ISIN for NSDL / CDSL : INE817D01013
- f) Registrar and Share Transfer Agent: M/s Bigshare Services Private Limited having its office at E-2/3 Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai 400 072 , Tel No.: 022 2847 0652/53 and Fax No.: 022 2847 5207.

g) **Market Price Data (BSE)**

Month	April	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
	2012	2012	2012	2012	2012	2012	2012	2012	2012	2013	2013	2013
High	159.90	142.80	140.00	145.00	123.50	111.00	107.50	101.50	98.00	117.00	221.30	230.15
Low	108.00	116.00	115.00	103.00	101.75	99.10	95.10	85.50	83.00	92.10	113.00	189.95

- h) Shares lodged in physical form with the company are processed for transfer within 15 days.

In respect of shares held in dematerialized mode, the transfer takes place instantaneously between the transferor, transferee and the Depository Participant through electronic debit / credit of the accounts involved.

- i) The Status of Dematerialization of Shares as on 31<sup>st</sup> March 2013 are as follows

Particulars	No. of Shares	Percentage (%)
Electronic Mode		
NSDL	2038896	40.78
CDSL	2952302	59.05
Physical Mode	8802	0.18
<b>Total :</b>	<b>5000000</b>	<b>100.00</b>

- j) No GDRs/ADRs/Warrants or any convertible investments have been issued by the Company.
- k) All correspondence regarding share transfers, dematerialization of share certificates and other related matters should be addressed to M/s Bigshare Services Private Limited, E-2/3 Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai 400 072. Members are requested to quote their folio number/DP Id & Client Id in all their correspondence with the Company & the Registrars.

Nominal Value of Equity Shares		No of Shareholders	Value of shares (in Rs.)	% total Capital
1	5000	569	7,61,680	1.5234
5001	10000	133	11,52,880	2.3058
10001	20000	76	11,91,940	2.3839
20001	30000	65	16,89,260	3.3785
30001	40000	29	10,89,180	2.1784
40001	50000	34	16,29,360	3.2587
50001	100000	84	68,17,000	13.6340
100001	999999999	58	3,56,68,700	71.3374
<b>TOTAL</b>		<b>1048</b>	<b>5,00,00,000</b>	<b>100.00</b>

l) Distribution of shareholding as on 31<sup>st</sup> March, 2013 is as follows:

Category	No of Shares	% of Shareholding
<b>A) Shareholding of Promoter and Promoter Group</b>		
(1) Indian	0	0
Individuals/Hindu Undivided Family		
Bodies Corporate	1667221	33.34
<b>Sub Total</b>	<b>1667221</b>	<b>33.34</b>
(2) Foreign	--	--
<b>Total shareholding of Promoter and Promoter Group (A)</b>	<b>1667221</b>	<b>33.34</b>
<b>B) Public Shareholding</b>		
(1) Institutions		
Foreign Institutional Investors		
<b>Sub Total</b>		
(2) Non-Institutions		
Bodies Corporate	478523	9.57
- Individuals		
- Individual shareholders holding nominal share capital upto Rs.1 Lakh	1333409	26.67
- Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	1508501	30.17
- Any Others		
Clearing Members	12120	0.25
Non Resident Indians	226	0.00
(Repat)		
<b>Sub Total</b>	<b>3332779</b>	<b>66.66%</b>
<b>Total Public shareholding (B)</b>	<b>3332779</b>	<b>66.66</b>
<b>TOTAL (A) + (B)</b>	<b>50,00,000</b>	<b>100.00</b>

**CERTIFICATE ON CORPORATE GOVERNANCE**

**TO THE MEMBERS OF  
AAGAM CAPITAL LIMITED**

I have examined the record concerning the companies compliance conditions of Corporate Governance by Aagam Capital Limited, for the year ended on 31<sup>st</sup> March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For Ajmal Porora & Associates**

**Ajmal P. Porora  
C. P. No. : 11050**

**Place:** Mumbai  
**Date:** 14<sup>th</sup> August, 2013



**CEO/CFO CERTIFICATION**

To,  
The Board of Directors,  
Aagam Capital Limited,  
Mumbai,

I, Vikash Kumar, hereby certify that:

- a) I, have reviewed financial statements and the cash flow statement for the year 2012-13 and that to the best of my knowledge and belief:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which I am aware, have been disclosed to the Auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d) I have indicated to the auditors and the Audit Committee-
  - i. Significant changes in internal control over financial reporting during the year;
  - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which I am aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For Aagam Capital Limited,**

(Vikash Kumar)

Place : Mumbai

Date : 14<sup>th</sup> August, 2013

**INDEPENDENT AUDITORS' REPORT****To the Members of AAGAM CAPITAL LIMITED****1. Report on the Financial Statements**

We have audited the accompanying financial statements of **AAGAM CAPITAL LIMITED (Formerly known as Subhkam Capital Limited) ("the Company")**, which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**2. Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

**3. Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**4. Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) In the case of the Statement Profit and Loss, of the Loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**5. Report on Other Legal and Regulatory Requirements**

- I. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

- ii. As required by section 227(3) of the Act, we report that:
- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts;
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and
  - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For Mehta Chokshi & Shah**  
**Chartered Accountants**  
**Firm Registration No.: 106201W**

**Mumbai.**  
**Dated: 28th May, 2013**

**R.T.Mehta**  
**Partner.**  
**M.No.: 5445**

**ANNEXURE TO AUDITORS' REPORT****Referred to in paragraph 1 of the Auditors' Report of even date to the members of Aagam Capital Limited (Formerly known as Subhkam Capital Limited) on the financial statements for the year ended 31<sup>st</sup> March, 2013.**

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of its fixed assets.  
  
(b) The Fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.  
  
(c) During the year the Company has disposed off substantial part of the Fixed Assets. Based on the information & explanations given by the Management and on the basis of the audit procedures performed by us. We are of the opinion that the sale of said fixed assets has not affected the going concern status of the Company.
2. (a) The securities held as stock-in-trade have been confirmed with the statement of holdings provided by the depository participants at the financial year end. In our opinion, the frequency of confirmation is reasonable.  
  
(b) In our opinion, the procedures of confirmation of securities held as stock-in trade followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
3. (a) The Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.  
  
(b) As the Company has neither granted nor taken loans, the provisions of clauses (iii)(b), (iii)(c) and (iii)(d) of paragraph 4 of the order are not applicable to the Company for the current year.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of shares and securities. The Company does not have sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.  
  
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
7. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

8. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund,  
  
Employees State Insurance, Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty, Cess and other material statutory dues as applicable with the appropriate authorities. There were no undisputed amounts payable in respect of aforesaid dues which were outstanding as at 31<sup>st</sup> March, 2013 for a period of more than six months from the date they became payable.
10. The accumulated losses of the Company as on 31<sup>st</sup> March, 2013 exceeded 50% of its net worth. The Company has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanations given to us, the Company has not borrowed any money from any financial institution or bank or debenture holders as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
14. In our opinion, the Company has maintained proper records of transactions and contracts relating to dealing or trading in shares, securities, debentures and other investments during the year and timely entries have been made therein. Further, such securities have been held by the Company in its own name or are in the process of transfer in its name, except to the extent of the exemption granted under Section 49 of the Act.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. In our opinion and according to the information and explanations given to us, there was no term loan taken by the Company, hence the application of the same for the purposes for which they were obtained does not arise.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short term basis which have been used for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by public issued during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

For **Mehta Chokshi & Shah**  
**Chartered Accountants**  
**Firm Registration No.: 106201W**

**Mumbai.**  
**Dated: 28th May, 2013**

**R.T.Mehta**  
**Partner.**  
**M.No.: 5445**





## Notes to the financial statements for the period ended March 31, 2013

Note No.	Particulars	March 31, 2013		March 31, 2012	
		No. of Share	₹	No. of Share	₹
1	<b>Share Capital</b>				
	<b>(a) Authorised</b>				
	Equity Shares of Rs. 10/- each	5,250,000	52,500,000	5,250,000	52,500,000
	<b>(b) Issued, Subscribed &amp; Paid up</b>				
	Equity Shares of Rs. 10/- each	5,000,000	50,000,000	5,000,000	50,000,000
	<b>Total</b>	<b>5,000,000</b>	<b>50,000,000</b>	<b>5,000,000</b>	<b>50,000,000</b>
	<b>(c) Reconciliation of Equity shares</b>				
	Shares outstanding at the beginning of the year	5,000,000	50,000,000	5,000,000	50,000,000
	Shares Issued during the year	-	-	-	-
	Shares bought back during the year	-	-	-	-
	Shares outstanding at the end of the year	5,000,000	50,000,000	5,000,000	50,000,000

	(d) Disclosure of share holders - holding more than 5% of paid up capital	March 31, 2013		March 31, 2012	
		No. of Share	% of Holding	No. of Share	% of Holding
	S R Jute Traders Private Limited	1,667,221	33.34	-	-
	SRJTPL-SPA Escrow Account - VC Corporate Advisors Pvt Ltd	-	-	1,730,862	34.62

(e) Rights, preferences and restrictions attached to shares	
The Company has one class of equity shares having a par value of Rs.10 each. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after	

2	Reserves & Surplus	March 31, 2013		March 31, 2012	
		No. of Share	₹	No. of Share	₹
	(a) Securities Premium Account		25,350,000		25,350,000
	(b) Special Reserves U/s 45 IC of RBI Act, 1934				
	Opening Balance	1,358,605		1,358,605	
	Add : Current Years Transfer	-	1,358,605	-	1,358,605
	(c) Surplus (Profit & Loss Account)				
	Opening balance	(31,173,688)		5,434,417	
	Add : Net Profit/(Net Loss) of current year	(26,312,408)		(36,608,105)	
	Less : Transfer to Reserves	-	(57,486,096)	-	(31,173,688)
			<b>(30,777,491)</b>		<b>(4,465,083)</b>



**Notes to the financial statements for the period ended March 31, 2013**

<b>Note No.</b>	<b>Particulars</b>	<b>March 31, 2013 (₹)</b>	<b>March 31, 2012 (₹)</b>
<b>3</b>	<b>Long Term Provisions (Non Current)</b>		
	(a) Provision for employee benefits	<b>24,673</b>	232,399
		<b>24,673</b>	232,399
<b>4</b>	<b>Short Term Borrowings</b>		
	<b>Secured</b>		
	(a) Loans repayable on demand from other parties (Secured By Specific shares held as stock in trade)	-	11,586,955
	<b>Unsecured</b>		
	(a) Loans repayable on demand from other parties	-	123,092,286
		-	134,679,241
<b>5</b>	<b>Other Current Liabilities</b>		
	(a) Expenses payable	<b>163,988</b>	1,597,358
	(b) Other payables - Statutory Payments	<b>20,918</b>	788,844
		<b>184,906</b>	2,386,202
<b>6</b>	<b>Short Term Provisions (Current)</b>		
	(a) Provision for employee benefits	<b>12,798</b>	562,513
	(b) Contigent Provision against Standard Assets	<b>33,159</b>	32,212
		<b>45,957</b>	594,725

## Note No.7 Fixed Assets

Fixed Assets	Gross Block			Accumulated Depreciation			Net Block		
	Balance as at 1 April 2012 ₹	Additions ₹	Deductions/ Adjustments ₹	Balance as at 31 March 2013 ₹	Balance as at 1 April 2012 ₹	Depreciation for the year ₹	Deductions/ Adjustments ₹	Balance as at 31 March 2013 ₹	Balance as at 31 March 2012 ₹
<b>Tangible Assets</b>									
Air Conditioners	1,198,610	-	1,198,610	-	242,119	143,595	385,714	-	956,491
Computers	696,944	43,000	-	739,944	558,996	118,761	-	677,757	137,948
Furniture and Fixtures	2,183,189	-	2,183,189	-	506,695	115,857	622,552	-	1,676,494
Motor Car	1,362,365	-	1,362,365	-	592,164	108,504	700,668	-	770,201
Office Equipments	1,146,037	57,799	903,459	300,377	471,396	148,351	467,842	148,472	674,641
Leasehold Improvements	6,732,164	-	6,732,164	-	1,907,447	1,122,027	3,029,474	-	4,824,717
<b>Total</b>	<b>13,319,309</b>	<b>100,799</b>	<b>12,379,787</b>	<b>1,040,321</b>	<b>4,278,817</b>	<b>1,757,095</b>	<b>5,206,250</b>	<b>829,662</b>	<b>9,040,492</b>
Previous year	13,319,309	-	-	13,319,309	2,216,738	2,062,079	-	4,278,817	11,102,571

Note No.	Particulars	March 31, 2013 (₹)	March 31, 2012 (₹)
<b>8</b>	<b>Long Term Loans &amp; Advances</b>		
	(Unsecured, considered good)		
	(a) Security Deposits	<b>112,500</b>	3,352,500
	(b) Advance Tax & TDS (Net)	<b>1,017,336</b>	7,888,244
		<b>1,129,836</b>	11,240,744
<b>9</b>	<b>Inventories</b>		
	(a) Inventory of shares and securities (Valued at lower of cost or net realisable value)	-	135,573,829
		-	135,573,829
<b>10</b>	<b>Trade Receivables</b>		
	(Unsecured, considered good)		
	(a) Trade receivables outstanding for a period less than six months from the date they are due for payment	-	11,306,721
		-	11,306,721
<b>11</b>	<b>Cash and cash equivalents</b>		
	(a) Balances with banks		
	Current Accounts	<b>33,900</b>	687,115
	Bank deposits with less than 12 months maturity	<b>134,390</b>	124,701
	(b) Cash on hand	<b>163,278</b>	179,490
		<b>331,568</b>	991,306
<b>12</b>	<b>Short-term loans and advances</b>		
	<b>Others -</b>		
	(Unsecured, considered good)		
	(a) Advances to Staff	<b>414,950</b>	1,505,054
	(b) Other Receivables	<b>12,848,815</b>	72,940
	(c) Prepaid Expenses	<b>19,207</b>	703,699
	(d) Advance Tax & TDS (Net)	<b>51,943</b>	8,521,631
(e) MAT Credit	<b>4,471,068</b>	4,471,068	
		<b>17,805,983</b>	15,274,392

Note No.	Particulars	March 31, 2013 (₹)	March 31, 2012 (₹)
<b>13</b>	<b>Income from Operations</b>		
	Interest - Gross	326,825	210,508
	(Tax deducted at source Rs. 31,714, Previous Year Rs.20,229)		
	Sale of Shares & Securities	181,909,012	489,659,458
	Profit/(Loss) on derivatives trading	-	(106,984,955)
	Profit/(Loss) on Speculation trading	-	9
		<b>182,235,837</b>	<b>382,885,020</b>
<b>14</b>	<b>Other Income</b>		
	Dividend Income	1,152,843	1,980,081
	Interest on I.Tax Refund	1,117,583	-
	Sundry Balance W/Back	191,510	-
		<b>2,461,936</b>	<b>1,980,081</b>
<b>15</b>	<b>Changes in inventory of shares and securities</b>		
	Closing Inventory of shares and securities	-	135,573,829
	Opening Inventory of shares and securities	135,573,829	247,366,346
		<b>135,573,829</b>	<b>111,792,517</b>
<b>16</b>	<b>Employee Benefits Expense</b>		
	Salaries and incentives	4,405,587	11,233,556
	Contribution to Provident fund	231,970	525,109
	Gratuity	(208,466)	143,819
	Staff welfare expenses	50,930	292,035
		<b>4,480,021</b>	<b>12,194,519</b>
<b>17</b>	<b>Finance Cost</b>		
	Interest Paid on Loans (Net)	5,939,062	18,298,407
	Interest Paid on others	3,146	-
	Interest Paid on loans for subscription to Public issues	-	6,107,335
	Other borrowing costs	-	273,445
		<b>5,942,208</b>	<b>24,679,187</b>
<b>18</b>	<b>Other Expenses</b>		
	Auditor's Remuneration	76,564	38,605
	Conveyance & Travelling Expenses	28,725	385,059
	Demat & Depository Charges	53,385	66,292
	Diwali Expenses	-	61,399
	Electricity Expenses	598,457	874,267
	Membership & Subscription	169,859	327,277
	Miscellaneous expenses	210,690	316,835
	Motor Car Expenses	594,543	1,087,259
	Office Expenses	61,448	76,138
	Printing & Stationery	162,315	388,124
	Legal & Professional Charges	479,974	813,686
	Rent Paid	5,692,907	8,406,711
	Repairs and Maintenance Expenses	132,911	185,161
	Telephone Expenses	173,689	475,692
		<b>8,435,467</b>	<b>13,502,505</b>
<b>18.1</b>	<b>Payments to the auditor :-</b>		
	(a) Audit Fees	61,798	27,575
	(b) Tax Audit	11,236	11,030
	(c) Other Matters	3,530	-
		<b>76,564</b>	<b>38,605</b>

**Note 19 – Notes to the Financial Statements****1. Background**

“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 is engaged in the business of dealing in share and securities.

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”.

**2. Significant Accounting Policies :**

The financial statements are prepared to comply in all material aspects with the applicable accounting principles in India, the accounting standards notified under sub-section (3C) of Section 211 of the Companies Act, 1956 of India (the ‘Act’) and the relevant provisions of the Act and the regulations of Reserve Bank of India to the extent applicable. The significant accounting policies are as follows:

**a. Basis of preparation of Financial Statements**

The financial statements are prepared in accordance with the historical cost convention.

**b. Fixed Assets and Depreciation/ Amortisation**

Fixed Assets are stated at Cost less Depreciation. The Company capitalises all cost relating to acquisition and installation of Fixed Assets.

Depreciation is provided on Straight Line Method, pro rata for the period of use, at the rates specified in Schedule XIV to the Act or based on rates as per useful life of asset, whichever is higher. Air conditioners and office equipment are depreciated over 7 years, which is different from rates specified from Schedule XIV.

Leasehold improvements are depreciated on straight line basis over the period of lease.

Assets costing Rs. 5,000 or less are fully depreciated in the year of acquisition.

**c. Investments**

Investments are classified as long term or current based on management's intention at the time of purchase. Investments which are intended to be held for one year or more are classified as long term investments and investments which are intended to be held for less than one year are classified as current investments.

Long term investments are recorded at cost as on the date of transaction and any decline in the carrying value other than temporary in nature is provided for. Current investments are valued at cost or market/fair value, whichever is lower.

**d. Revenue Recognition**

- i. Interest income is accounted on accrual basis.
- ii. Dividend income is recognised when the right to receive dividend is established.
- iii. Realised gains and losses in respect of equity securities and units of mutual funds are calculated as the difference between the net sales proceeds and their cost. Cost in respect of equity shares and units of mutual funds are computed using first in first out (FIFO) method.

**e. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known /materialised.

**f. Equity Index / Stock Futures.**

- i) Margin Deposits representing margin paid for entering into a contract for equity index/stock futures which are released on final settlement/squaring up of the underlying contract, are disclosed under Loans and advances.
- ii) Equity index/stock futures are marked to market on a daily basis. Debit or credit balance disclosed under Loans and Advances or Current Liabilities respectively in the "Mark- to-Market Margin - Equity Index/Stock Futures account " represents the net amount paid or received on the basis of movement in the prices of index/stock futures till the Balance Sheet date.
- iii) As on the Balance Sheet date profit/loss on open positions in equity index/stock futures in accounted for as follows:  
Credit balance in the "Mark-to-Market Margin-Equity Index/Stock Futures Account" being the anticipated profit is ignored and no credit for the same is taken in the Profit and Loss Account.  
Debit balance in the "Mark-to-Market Margin-Equity Index/Stock Futures Account", being the anticipated loss is adjusted in the Profit and Loss Account.
- iv) On final settlement or squaring up of contracts for equity index/stock futures the profit or loss is calculated as the difference between the settlement/squaring up price and the contract price. Accordingly debit or credit balance pertaining to the settled/squared up contract in "Mark-to-Market Margin – Equity Index/stock Futures Account", after adjustment of the provision for anticipated losses is recognised in the Profit and Loss Account.

**g. Equity Index / Stock Options**

- i) "Equity Index/Stock option premium account" represents premium paid or received for buying or selling the options, respectively.
- ii) Margin deposits representing margin paid for entering into contract for equity index /stock options which are released on final settlement/squaring up of the underlying contracts are disclosed under Loans and Advances.
- iii) As at the Balance Sheet date in the case of long positions provision is made for the amount by which the premium paid for those options exceeds the premium prevailing on the balance sheet date, and in the case of short positions for the amount by which the premium prevailing on the balance sheet date exceeds the premium received for those options and is reflected in "Provision for loss on equity Index/Stock Options Account."
- iv) When the option contracts are squared up before the expiry of the options the premium prevailing on that date is recognised in the Profit and Loss Account.

On the expiry of the contracts and on exercising the options the difference between the final settlement price and the strike price is transferred to the Profit and Loss Account.

In both the cases, the premium paid or received for buying or selling the option as the case may be is recognized in the profit and loss account for the squared-up/settled contracts.

**h. Taxes on Income**

Provision for current tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Minimum Alternate Tax (MAT) eligible for set off in subsequent years, (as per tax laws) is recognized as an asset by way of credit to the Profit and Loss Account only if there is convincing evidence of its realisation. At each balance sheet date, the carrying amount of MAT Credit Entitlement receivable is reviewed to reassure realisation.

Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised mainly on account of unabsorbed depreciation and carry forward of losses to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

**i. Inventories**

Inventory consists of shares and securities purchased for trading purposes. These are valued at lower of cost or net realizable value. Cost is computed on FIFO basis. For the purpose of determining net realizable value, the last quoted closing prices at the Bombay Stock Exchange Limited ('BSE') are considered.

**j. Employee Benefits**

*Defined Contribution Plans* such as Provident Fund etc. are charged to the Profit & Loss Account as incurred.

*Defined Benefit Plans* - The present value of the obligation under such plan was determined based on an actuarial valuation which was carried out by an independent actuary. The actuarial valuation method used by the independent actuary for measuring the liability was the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation was recognized immediately in the Profit & Loss Account. However during the year as there is only one employee, the company has worked out the gratuity liability without actuarial valuation. The liability for the same is provided in the accounts.

Other Long term Employee Benefits are recognized in the same manner as Defined Benefit Plans. Termination benefits are recognized as and when incurred.

**k. Operating Lease**

Lease payments for assets on operating lease are recognized as an expense in Profit & Loss Account in accordance with Accounting Standard 19 – Leases.

**l. Provisions and Contingent Liabilities**

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resource is remote, no provision or disclosure is made.

**m. Impairment of Assets**

The Company assesses at each Balance Sheet date whether there is any indication that asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account.

- n. The Company follows the Prudential Norms for Assets Classification, Income Recognition, Accounting Standards, Provision for non-performing assets as prescribed by the Reserve Bank of India under Non-Banking Financial (Non deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. During the year, these norms have been amended, mandating 0.25% provision against the outstanding standard assets.

### 3. Contingent Liabilities

Claims against the company not acknowledged as debt - Income Tax Demand for AY 2006-07 of Rs. 7,074,656/- (Previous Year –Income Tax Demand for AY 2006-07 Rs. 70,74,656/-)

### 4. Deferred Tax Balances

On the basis of prudence, the company has not recognized deferred tax assets essentially on account of unabsorbed depreciation and carry forward of losses as at 31<sup>st</sup> March 2013, in the absence of virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

### 5. Dues to Micro, Small and Medium Enterprises

There are no dues to micro and small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 which are outstanding as at the Balance Sheet date. Further, during the year there were no delays on making the payment to any micro or small enterprise. This information has been determined on the basis of information available with the company. This has been relied upon by the Auditors.

### 6. Segment Information

The Company is primarily engaged in a single segment business of finance and investment and is governed by risks and returns which are similar. Accordingly, the disclosure requirements in terms of the Accounting Standard on Segmental Reporting (AS-17) as notified under Section 211(3C) of the Companies Act, 1956, are not applicable.

### 7. Related Party Disclosures :

a) Related parties with whom the Company had transactions during the year:

- 1) Enterprise controlled by Key Management Personnel & their relative :-

Subhkam Stocks & Shares Pvt. Ltd.  
Subhkam Ventures (I) Pvt. Ltd.

- 2) Key Management Personnel :-

Mr. Rakesh S Kathotia (Till 23.10.2012)  
Mr. Vikash Kumar (From 23.10.2012)  
Mr. Januram Choudhary (From 23.10.2012)



b) Transactions with related parties during the year:

	Year ended March 31, 2013 Rupees	Year ended March 31, 2012 Rupees
<b>Subhkam Stocks and Shares Pvt. Ltd.</b>		
Rent Paid	35,000	60,000
<b>Subhkam Ventures (I) Pvt. Ltd.</b>		
Sale of Fixed Assets	7,173,537	-
<b>Rakesh Kathotia</b>		
Purchase of Shares	-	9,000,000

c) Related Party balances as at the yearend:

Receivable/ (Payable) from/to related parties: - -

8. The Company has placed fixed deposit of Rs. 134,390/- (Previous Year Rs.124, 701/-) with bank as margin money.

**9. Earnings Per Share:**

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
(a) Profit after Taxation for the year (Rupees)	(26,108,250)	(36,608,105)
Less : Short provision for tax for earlier years	(204,158)	-
(b) Profit considered for computing Earnings Per Share	(26,312,408)	(36,608,105)
(c) Weighted average number of shares (Nos.)	5,000,000	5,000,000
(d) Basic and Diluted Earnings Per Share (Rupees)	(5.26)	(7.32)
(e) Nominal value of shares outstanding (Rupees)	10.00	10.00

10. Information required under Para 3(ii) (b) of Part II of Schedule VI to the Act is as under: -  
Quantitative Details of items traded during the year:

Shares /Debentures/Units	Quantity (Nos.)	Amount (Rupees)
Opening Stock	1,767,158	135,573,829
(Previous Year)	(1,997,121)	(247,366,346)
Purchases	192,000	54,358,184
(Previous Year)	(3,047,271)	(254,788,782)
Sales	1,959,158	181,909,012
(Previous Year)	(3,277,234)	(489,659,458)
Closing Stock	-	-
(Previous Year)	(1,767,158)	(135,573,829)

**11. Lease Disclosures :**

The Company has taken office premises on operating lease. Gross rental expenses for the year ended 31 March 2013 aggregated to Rs. 4,440,404/- (Previous year: 6,936,491/-) which has been included under the head Other Expense – Rent.

12. During the year as the Company has only one employee the company has worked out the gratuity liability without actuarial valuation. The liability of gratuity for one employee is Rs. 24,673/-.

The company had actuarial valuation done for the year ended 31<sup>st</sup> March 2012 which was as under :-

	<b>Gratuity (unfunded) Amount</b>
<b>I. Reconciliation of liability recognized in the Balance</b>	
Fair value of plan assets as at the end of the year	-
Present value of obligation as at the end of the year	233,139
Net liability in the Balance Sheet	233,139
<b>II. Movement in net liability recognized in the Balance Sheet</b>	
Net liability as at the beginning of the year	89,320
Net expense recognized in the profit and loss account	143,819
Contribution during the year	-
Net liability as at the end of the year	233,139

<b>III. Expense recognized in the Profit and Loss Account (Under the head "Employee Benefit Expenses– refer Notes 16)</b>	
Current Service Cost	110,072
Interest cost	7,146
Actuarial (Gains)/ Losses	26,601
Expense charged to Profit and Loss Accounts	143,819
<b>IV. Reconciliation of defined benefit commitments</b>	
Commitments at the beginning of the year	
Current Service Cost	110,072
Interest Cost	7,146
Actuarial (Gains)/ Losses	26,601
Commitments at the year end	233,139
<b>V. Actuarial Assumptions</b>	
Mortality table	LIC (1994-96)
Discount rate (per annum)	Ultimate
Rate of escalation in salary (per annum)	8.50%
	8.50%

Further on resignation/retrenchment of employees during the year there has been a write back of excess gratuity provision amounting to Rs. 2,08,466/-

13. Director's remuneration Rs **Nil** (Previous Year Rs Nil).
14. Open interest in Equity Index/Stock Futures as at the balance sheet date is **NIL** (Previous Year Rs Nil).
15. Option contracts outstanding as on the balance sheet date is **NIL** (Previous Year Rs Nil).
16. Schedule in terms of paragraph 13 of Non – Banking financial (Non – Deposit accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 is given in Annexure I.
17. Previous Year's figures have been regrouped /reclassified wherever necessary to conform to the current year's classification.

Signature to Notes 1 to 19 forming part of the financial statements.

For Mehta Chokshi & Shah  
Firm Registration No. 106201W  
Chartered Accountants

For and on behalf of the Board

RT Mehta  
Partner  
Membership No. 5445

Director

Director

Place: Mumbai  
Date: May 28, 2013

Place: Mumbai  
Date: May 28, 2013

<b>Cash Flow Statement for the Year Ended March 31, 2013</b>		
	<b>Year ended 31st March 2013 ₹</b>	<b>Year ended 31st March 2012 ₹</b>
<b>A Cash Flows from Operating Activities:</b>		
Profit before Taxation	(26,108,250)	(36,608,105)
Adjustments for:		
Depreciation / Amortisation	1,757,095	2,062,079
Interest Income	(326,825)	(210,508)
Contingent Provision against Standard Assets	947	(114,439)
<b>Operating Profit before working capital changes</b>	<b>(24,677,033)</b>	<b>(34,870,973)</b>
Adjustment for changes in working capital		
(Increase) / Decrease in Inventories	135,573,829	111,792,517
(Increase) / Decrease in Loans & Advances	(7,761,279)	407,548
(Increase) / Decrease in Trade Receivables	11,306,721	45,179,729
(Increase) / Decrease in Margin Money	(9,689)	(10,999)
(Decrease) / Increase in Trade Payables	-	(21,890)
(Decrease) / Increase in Other Current Liabilities	(2,201,296)	(3,283,818)
(Decrease) / Increase in Provisions	(757,441)	(151,276)
<b>Cash generated from Operations</b>	<b>111,473,812</b>	<b>119,040,838</b>
Taxes Paid /(Refund)	(15,136,438)	20,229
<b>Net cash from / (used in) Operating Activities</b>	<b>126,610,250</b>	<b>119,020,609</b>
<b>B Cash flows from Investing Activities:</b>		
Proceeds from Sale of Fixed Assets	7,173,537	
Purchase of Fixed Assets	(100,799)	
Interest Received	326,825	210,508
<b>Net cash from / (used in) Investing Activities</b>	<b>7,399,563</b>	<b>210,508</b>
<b>C Cash flows from Financing Activities :</b>		
Proceeds from Secured Loan (Net)	(11,586,955)	(35,322,823)
Proceeds from Unsecured Loan (Net)	(123,092,286)	(84,145,580)
<b>Net cash from / (used in) Financing Activities</b>	<b>(134,679,241)</b>	<b>(119,468,403)</b>
<b>Net Increase/ (decrease) in cash and cash equivalents</b>	<b>(669,428)</b>	<b>(237,285)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>866,605</b>	<b>1,103,890</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>197,178</b>	<b>866,605</b>
<b>Cash and cash equivalents comprise of:</b>	<b>As at 31st March 2013</b>	<b>As at 31st March 2012</b>
Cash on hand	163,278	179,490
Cheques on Hand	-	-
Balance with Scheduled Banks		
On Current Accounts	33,900	687,115
On Deposit Accounts	-	-
Cash and cash equivalents	<u>197,178</u>	<u>866,605</u>
Add: Deposits as Margin Money	<u>134,390</u>	<u>124,701</u>
Cash and cash equivalents	<u><u>331,568</u></u>	<u><u>991,306</u></u>
<b>Notes :</b>		
1 The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard on Cash Flow Statements (AS 3) referred to in subsection (3c) of section 211 of the Companies Act, 1956 of India		
2 Figures in brackets indicate cash outgo.		
3 Previous years' figures have been regrouped and recasted wherever necessary to confirm to the current year's classification		
4 Fixed deposits with scheduled bank includes Rs. 134,390/- as margin money (Previous year Rs. 124,701/-).		
In terms of our report attached.		
For Mehta Chokshi & Shah Firm Reg. No.106201W Chartered Accountants		For and on behalf of the Board
R T Mehta Partner Membership No. 5445	Director	Director
Place: Mumbai Date : May 28, 2013	Place: Mumbai Date : May 28, 2013	

**AAGAM CAPITAL LIMITED**

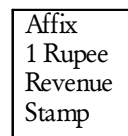
**Regd. Office:** 'Room No 2, 3rd floor, 5/7, Kothari House, OAK Lane Fort, Mumbai – 400023.

**PROXY FORM**

Regd. Folio No. / DPID – Client ID No. \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being a member / members of Aagam Capital Limited hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing him/her \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Saturday 28<sup>th</sup> September 2013 at Room No.2, 2nd Floor, Beaumoon Chambers, N.M Road, Fort, Mumbai – 400001 at 5.00 P.M.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013



\_\_\_\_\_  
Signature of Shareholder/s

Note: The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.

**AAGAM CAPITAL LIMITED**

Regd. Office: 'Room No 2, 3rd floor, 5/7, Kothari House, OAK Lane Fort, Mumbai – 400 023.  
(To be handed over at entrance of the Meeting Venue)

**ATTENDANCE SLIP**

Regd. Folio No. / DPID – Client ID No. \_\_\_\_\_

SHAREHOLDER'S NAME: \_\_\_\_\_

(In Block Capitals)

In case of Proxy

NAME OF PROXY: \_\_\_\_\_

(In Block Capitals)

No. of Shares held \_\_\_\_\_

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company. I hereby record my presence at the Annual General Meeting of the Company to be held on Saturday 28<sup>th</sup> September 2013 at Room No.2, 2nd Floor, Beaumoon Chambers, N.M Road, Fort, Mumbai – 400001 at 5.00 P.M.

Signature of Shareholder/s / Proxy

Note: Please bring this Attendance Slip while coming to the Meeting.

**Book Post**

**If Undelivered please return to:**

**AAGAM CAPITAL LIMITED**  
**Regd. Off.:** Room No 2, 3rd floor, 5/7,  
Kothari House, OAK Lane Fort,  
Mumbai – 400 023.