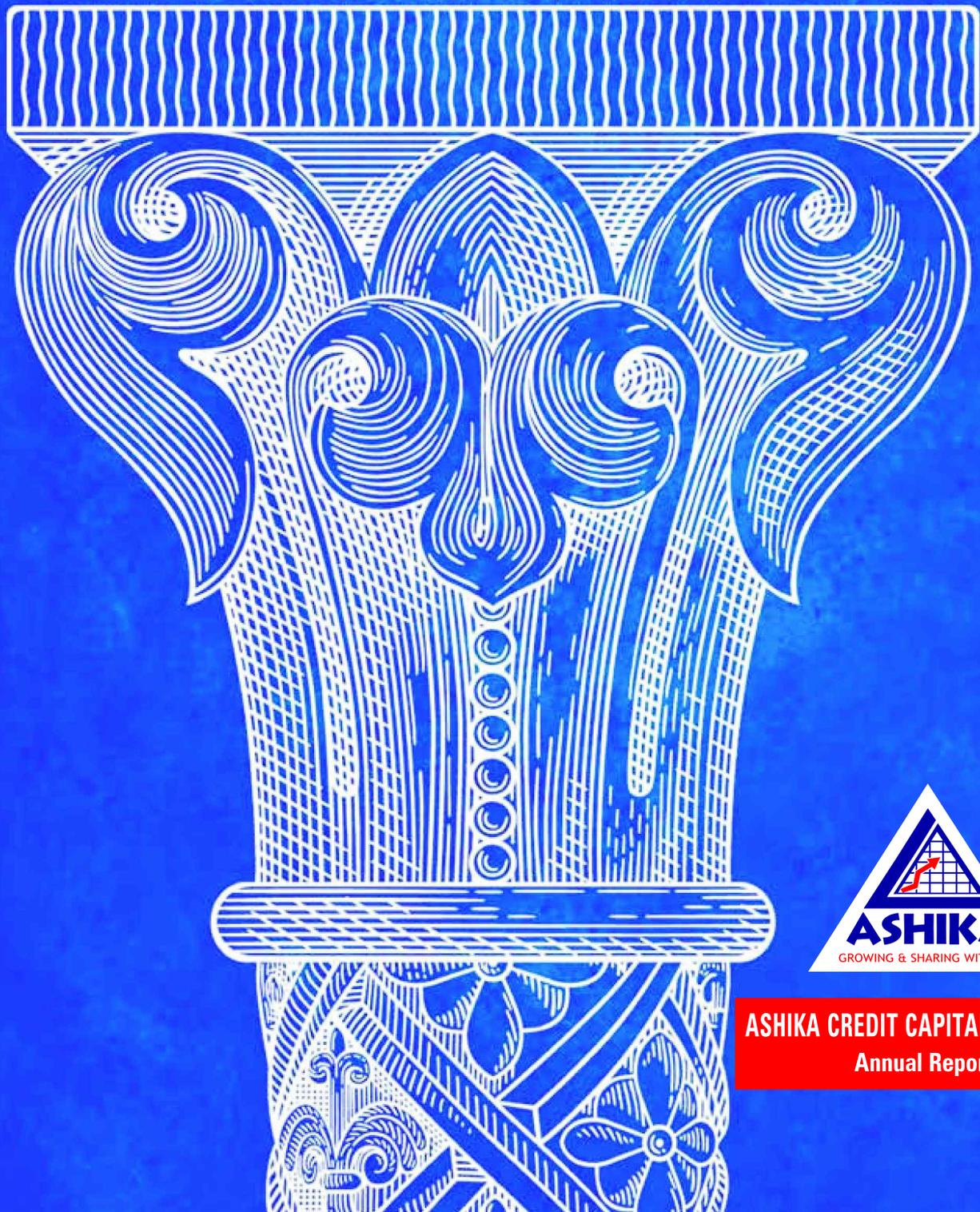


**Trust.**  
**Transparency.**  
**Tangibility.**



**ASHIKA CREDIT CAPITAL LIMITED**  
Annual Report 2016-17

# Corporate Information

## BOARD OF DIRECTORS

**Sri Pawan Jain**

*Chairman (Whole Time Director w.e.f. 01.11.2016 )*

**Sri Daulat Jain**

*Managing Director & CEO (w.e.f. 01.11.2016)*

**Sri Sanjay Kumar Singh**

*Independent Director*

**Sri Kashi Prasad Khandelwal**

*Independent Director*

**Sri Sagar Jain**

*Independent Director*

**Sri R. S. Agarwal**

*Independent Director*

**Sri K. K. Saraf**

*Non –Executive Director*

**Ms Anju Mundhra**

*Executive Director – Legal & Company Secretary*

## CIN NO.

L67120WB1994PLC062159

## CHIEF FINANCIAL OFFICER

**Sri. Amit Jain**

## COMPANY SECRETARY & COMPLIANCE OFFICER

**Ms. Anju Mundhra**

## PRINCIPAL BANKERS

**HDFC Bank Ltd.**

## REGISTERED OFFICE

'Trinity' 226/1 A. J. C. Bose Road,  
7th Floor, Kolkata – 700 020

Tel : (033) 40102500

Fax : (033) 40102543

Email : [secretarial@ashikagroup.com](mailto:secretarial@ashikagroup.com)

Website : [www.ashikagroup.com](http://www.ashikagroup.com)

## BRANCH OFFICE :

7, B.B.Ganguly Street

4<sup>th</sup> Floor, Kolkata – 700012

Email : [secretarial@ashikagroup.com](mailto:secretarial@ashikagroup.com)

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## Chairman's Statement

*Dear Shareholders,*

Global recovery in FY16-17 remained fragile amidst slowdown in trade, rising tendency towards protectionism and slower growth in productivity. Global financial markets continue to face elevated levels of uncertainty, notwithstanding the resilience exhibited in overcoming the outcomes of Brexit referendum and the US presidential election.

While the unconventional monetary policy measures have so far fallen short of achieving their intended objectives, the central banks in advanced economies are unlikely to end them abruptly because of the concerns on potential impact on financial stability and limited scope for alternative measures on fiscal front. However, financial markets would continue to grapple with headwinds from uptick in US interest rates.

For NBFC sector, it was another difficult year adhering to tight provisioning norms from RBI. It is mandatory for all NBFCs now, to maintain a Net Owned Fund of Rs. 2 crores by the end of 2017 and various other measures towards Non performing assets came into effect.

According to the Reserve Bank of India's (RBI) Financial Stability Report, NBFC loans expanded 16.6% in the year, twice as fast as the pedestrian credit growth of 8.8% across the banking sector. The aggregate balance sheet of the NBFC sector expanded 15.5% in fiscal 2016 in comparison to 15.7% from the previous year. The profitability of NBFCs was significantly higher as compared to the commercial banks.

ACCL faced a challenging year, but capitalized all its resources to turn into profitable period. In the year ending 31st March, 2017, the company earned Rs. 36,492,905/- on Interest income, advisory services fees. These considerable decisions raised revenue by 70.54%. Earning per share stood to Rs 2.69. There was also an Increase in short term secured loans by 594%yoy to Rs. 157,971,165/- and an Increase in short term unsecured loans by 31.23%yoy to Rs. 17,03,03,955/-.

Looking ahead for FY 2017-2018, we will capitalize on the improving demand and look to improve the performance of the company. Despite of challenging environment, I'm proud of the way the company has delivered its performance which is exhibited in the improvement in financial performance.

I wish the team and working staff greetings of success. The board joins me in expressing our deep appreciation to all the Shareholders, Employees and management team for the support, co-operation and understanding for the decisions that have been made throughout. The management is conscious of your increasing expectations and is gearing to fulfill the same. We remain committed in creating long term value for our stakeholders.

Regards,

**PAWAN JAIN**  
Chairman

## **Management Discussion and Analysis**

ACCL is registered NBFC – ND with RBI and operates in a single segment as lending and investing in securities. The company is listed with Calcutta Stock Exchange Ltd and Metropolitan Stock Exchange of India Ltd and shares are traded on Bombay Stock Exchange Ltd under permitted to trade category. The Company is actively engaged in the fund-based activities, providing loans and advances, Inter corporate deposits, investment in shares & securities etc. ACCL's services today are readily available to individuals, corporate, financial institutions throughout India.

It is a professionally managed company, which focuses its vision on financial services & follows strict code of conduct of business by practicing fair business values with Stakeholders and society at large. It had been complying with all relevant enactments & statutes of the land in letter & in spirit. There is a strict adherence to ethics and responsibility towards all those who come within its corporate ambit.

### **GLOBAL ECONOMY OVERVIEW**

After a lackluster out turn in 2016, economic activity is projected to pick up pace in 2017 and 2018, especially in emerging market and developing economies. However, there is a wide dispersion of possible outcomes around the projections, given uncertainty surrounding the policy stance of the incoming U.S. administration and its global ramifications. The assumptions underpinning the forecast should be more specific by the time of the April 2017 World Economic Outlook, as more clarity emerges on U.S. policies and their implications on the global economy. With these caveats, aggregate growth estimates and projections for 2016–18 remain unchanged relative to the October 2016 World Economic Outlook. The outlook for advanced economies has improved for 2017–18, reflecting somewhat stronger activity in the second half of 2016 as well as a projected fiscal stimulus in the United States. Growth prospects have marginally worsened for emerging market and developing economies, where financial conditions have generally tightened. Near-term growth prospects were revised up for China, due to expected policy stimulus, but were revised down for a number of other large economies—most notably India, Brazil, and Mexico.

This forecast is based on the assumption of a changing policy mix under a new administration in the United States and its global spillovers. This now project some near-term fiscal stimulus and a less gradual normalization of monetary policy. This projection is consistent with the

steepening U.S. yield curve, the rise in equity prices, and the sizable appreciation of the U.S. dollar since the November 8 election. This WEO forecast also incorporates a firming of oil prices following the agreement among OPEC members and several other major producers to limit supply.

According to IMF World Economic Outlook Update (January 2016), Indian economy is expected to grow at 7-7.75 per cent during FY 2016-17, despite the uncertainties in the global market. The Economic Survey 2015-16 had forecasted that the Indian economy will grow by more than seven per cent for the third successive year 2016-17 and can start growing at eight per cent or more in next two years.

According to Fitch Ratings Agency, India's Gross Domestic Product (GDP) will likely grow by 7.7 per cent in FY 2016-17 and slowly accelerate to 8 per cent by FY 2018-19, driven by the gradual implementation of structural reforms, higher disposable income and improvement in economic activity.

### **DOMESTIC ECONOMY AND MARKETS**

Domestic macroeconomic conditions remain stable with significant moderation in inflation. Moreover, reduced policy uncertainty and legislative and tax reforms such as implementation of goods and services tax (GST) and enactment of bankruptcy laws are expected to reinforce the benefits from the strong macro fundamentals. The withdrawal of legal tender status of specified bank notes (SBNs) could potentially transform the domestic economy. While the overall risks to the corporate sector moderated in 2016-17, concerns remain over its recovery.

India's external sector reflects significant improvement in terms of contraction of current account deficit, although there may be concerns on account of weakening of remittance inflows. While the redemption of foreign currency deposits raised in late 2013 was managed relatively smoothly, volatility in capital flows emanating from global events may add to exchange rate pressure.

Domestic debt and equity markets witnessed foreign portfolio investment outflows since October 2016 reflecting expectations of increase in the interest rates by the US Fed. The domestic mutual funds have emerged as a counter balance to foreign portfolio investors as they increased their net investments significantly.

According to Fitch Ratings Agency, India's Gross Domestic Product (GDP) will likely grow by 7.7 per cent in FY 2016-

17 and slowly accelerate to 8 per cent by FY 2018-19, driven by the gradual implementation of structural reforms, higher disposable income and improvement in economic activity. The GNPA (gross non-performing advances) ratio of SCBs increased to 9.1 per cent in September 2016 from 7.8 per cent in March, pushing the overall stressed advances ratio to 12.3 per cent from 11.5 per cent. The large borrowers registered significant deterioration in their asset quality.

### OPPORTUNITIES AND THREATS

Confidence is sometimes, all that matters. Uncertainties over the Indian economy and government policies linger, business confidence continues to falter. A stable government at the centre is desirable to pick up the ailing economic growth as well as to tame inflation thus reviving the lost business confidence

Our lending operations were quite focussed but due to heavy NPA provisioning It made imperative for us to shift focus towards opportunities that generate earnings growth in the future. Corporate financing is one such field where we plan to leverage our experience and expertise. Going ahead, we expect substantial margins from corporate financing, which will transform into higher profitability and recovery of debts.

Our ability to re-design a customised financial product and then integrate it with our operational expertise is our key strength. While we exercise this on a high-ticket size model to a few customers, we felt we could take this to a new level.

At Ashika, we shifted our focus on identifying pockets of opportunities across our network of operations. We redefined our model to serve corporate in need for small ticket-size loans than those with larger ticket size loan amount. This would bring in multiple benefits to us. One, it would protect our margins and de-risk us from larger NPAs. Two, it would broaden our customer portfolio, widening our revenue basket in the coming years. We are confident that with this strategy we shall demonstrate our capabilities to strengthen our loan book, and create more value for our stakeholders. Your Company has also adopted strategies to shift towards secured lending practices thereby bringing down its Gross NPAs and increasing its income from operations and profitability.

Other opportunities to grow can be Infrastructure segment and road transport segment, Consolidation in the NBFC industry, Constraints faced by banks in penetrating the specialized vehicle finance segment leads to the scope for branch expansion, Diversified into various fee based activities, New segments and acting as retailers to the banks

The Company is exposed to all risks & threat which Financial Market & Non Banking Finance Company faces. In financial services business, effective risk management has become very crucial. As an NBFC, Your Company is exposed to credit risk, liquidity risk and interest rate risks. Your company has in place suitable mechanisms to effectively reduce such risks. All these risks are continuously analysed and reviewed at various levels of management through an effective information system. The company is also facing risk of heavy ups and down in stock market which can be minimized due to risk management system of our company. Slow Industrial Growth, Being in an Independent sector, Competition from banks and financial institutions, Globalization of Indian market, Major shakeout in the NBFC sector, Hesitation on the parts of banks to continue to finance HP and leasing ventures ,Introduction of rigorous regulatory and supervision system are some other risks for which we are taking preventive measures as suitable. Can threats be handled using strengths?: The perceived threat of stiff competition within the NBFCs as well as with banking sector can be eliminated/minimized by using the strength of being a niche player, consolidation and focus.

It is clear that NBFCs can themselves take steps to minimize their weakness and face all threats by making better use of their strengths and opportunities, identified by them. The areas where active intervention is required is the area of debt recovery for which the support and encouragement of the government is required. The future of the NBFC sector is bright with ample opportunities thrown open to the NBFC sector.

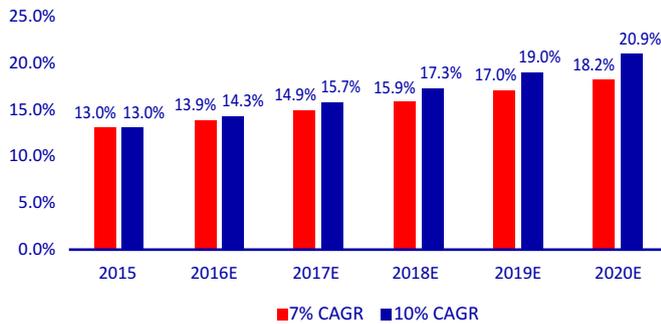
### NBFC IN INDIA

The other scheme that will give a big fillip to NBFCs is the credit guarantee scheme, which will now cover such institutions. The government, which underwrites loans up to Rs 1 crore via a trust, has increased the limit to Rs 2 crore and will now cover loans given by NBFCs as well.

Non-banking finance companies, which have been treated as the step-children of the Indian funding sector, could soon become part of the mainstream after sops announced by Prime Minister Narendra Modi aimed at promoting affordable housing and government backing for some loans issued by them.

NBFCs are set to benefit from the credit guarantee scheme and the interest subsidy on affordable housing loans unveiled by Modi in his address to the nation on New Year's Eve. Some Factors contributing to the growth of NBFCs: Stress on public sector units (PSUs), Latent credit demand, Digital disruption, especially for micro, small and medium enterprises (MSMEs) and small and

**Credit Growth of NBFC as a % of Total Credit**



medium enterprises (SMEs), Increased consumption, Distribution reach and sectors where traditional banks do not lend.

**SEGMENTS WISE OR PRODUCT WISE PERFORMANCE**

The company has only one segment and entire revenue is generated from financial activities only. Further in 2017, the company has decided to increase its lending activity, as, investing in shares and securities has plethora of dynamics. Accordingly, segment reporting as required under AS17 issued by the ICAI is not applicable.

**INTERNAL CONTROL SYSTEM**

ACCL has adequate internal control mechanism with well-defined structure and processes to prevent revenue loss and/or misappropriation of funds and other assets of the Company. The ACCL maintains a system of internal controls designed to provide a high degree of assurance regarding effectiveness and efficiency of financial operations, the adequacy of safeguards for assets, the reliability of financial controls and compliance with applicable laws. Internal Audit function conducted by independent chartered accountant’s firm on quarterly basis and the report is placed before the Audit Committee of the company for reviewing and observing the changes.

The Board of the Company has constituted an Audit Committee, which is headed by a Non-Executive Independent Director. The Audit Committee periodically reviews internal audit reports and brings to the notice of the Board any significant process deviations. The internal control function is vested with Audit Committee members who hold eminent experience in the field of company’s business. The Audit Committee is the responsible for evaluating and reporting the adequacy and effectiveness of design of processes and internal controls and in mitigating the business risks. The level of discipline in

process of compliance by various functions and process owners in their respective operations and business decisions. The modus operandi, internal / external involvement and collusion as well as corresponding process lapses / non-compliances by investigating the suspected fraudulent cases.

The organization is well structured with documented and pre-defined authority. The Company has implemented suitable controls to ensure that all resources are utilized optimally, financial transactions are reported with accuracy and there is strict adherence to applicable laws and regulations.

**OUTLOOK**

The improvement in credit demand in the latter part of FY 2016-17 has shown positive growth in NBFC sector. The Company would remain focused on capitalizing the opportunities in the market with intent to improve ROE. ACCL remains confident of the long term growth prospects & opportunities ahead of it in its business and chosen customer segments. ACCL believes that it is uniquely positioned within the NBFC industry to capitalize on the opportunities provided and shall continue to seek growth in its target segments. The management feels that its blend of business model, infrastructure, technology, management bandwidth and field force, would lead to a sustainable high growth trajectory in future years to come.

**RISK AND CONCERNS**

India’s financial system remains stable. The stress on banking sector, particularly the PSBs remain significant. The results of the latest systemic risk survey (Annex 1) conducted by the Reserve Bank in October 2016 indicated that among risks affecting the financial system, ‘global risks’ were perceived to be in ‘medium’ category while average quality of credit was expected to remain unchanged over the next quarter

ACCL is exposed to specific risks that are particular to its businesses and environment within which it operates, including market risk, operational risk, credit risk, liquidity risk, interest risk, human resource risk, operational risk and regulatory risk. Apart from these, unforeseen natural disasters and geo-political problems are also areas of concern. ACCL management is committed to ensure that risks are kept under control to develop a sustainable business model that is capable of maximizing shareholders’ returns. The risk governing the business is detailed in the Corporate Governance report forming part of the Annual Report.

Regular reviews by Audit Committee and board that eventually reports to ensures assessment of the evolving and changing market and operational risks. The RMC meets at regular intervals to chalk out road-map in respect of building asset base as well as maintaining portfolio quality in the evolving market.

#### **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

Various norms were introduced by RBI, such as, Limit of minimum Net Owned Fund to Rs. 2 Crore, Existing unrated asset finance companies to get themselves rated, revised systematic significance, Compliance with regulated and revised prudential norms on Assets- NPA classification and revised corporate governance and disclosure.

ACCL faced a challenging year, but capitalized all its resources to fruitful profitable period. In the year ending 31st March, 2017, The company raised its revenue by earning Rs 36,492,905/- on advisory services fees, Interest on Loan. Its showed a positive EPS of Rs 2.69. Short term secured loans and unsecured loan increased by 594% and 31.23% yoy to Rs. 157,971,165/- and Rs. 17,03,03,955/-.

#### **HUMAN RESOURCE**

The company continued to emphasize on retaining, nurturing its human resource base. It recognized the role that human capital plays in the modern workplace and aims to create a harmonious environment to enable the raising of employee productivity and hence allow employees to reach full potential. During the year your company has employed for operations. Later the company prospects to expand its operations which will require to raise our human resource

#### **CAUTIONARY STATEMENT/DISCLAIMER (FOR THE REPORT)**

Certain statements in this Report which describe the Company's objectives, predictions may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward looking statements contained in this document, due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, volatility in interest rates, new regulations and government policies that may impact the Company's business, as well as its ability to implement the strategy. The Company does not undertake to update these statements.

## Board's Report

Dear Shareholders,

Your Directors takes pleasure in presenting the Twenty-Fourth Annual Report of the operations and business of your Company together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2017.

### 1. FINANCIAL SUMMARY OF THE COMPANY:

(Amount in ₹)

Financial results for the year ended	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016
Total Income	36,492,905	21,607,205
Profit/ (Loss) before tax	29,861,953	(81,080,694)
Less: Tax Expenses	11,036,066	(21,243,860)
Profit / (Loss) for the year	18,825,887	(59,836,834)
Add: Balance as per last financial statements	(72,443,249)	(12,606,415)
Less: Transfer to statutory reserve U/s 45-IC of RBI Act 1934	3,765,177	-----
Surplus/(Deficit) in the Statement of Profit and Loss	(57,382,539)	(72,443,249)

### 2. STATE OF COMPANY AFFAIRS:

In the year 2016-17 your company earned an income of Rs 36,492,905/- which relates to Interest Income and others as compared to Rs 21,607,205/- in its previous year. The company has recorded a profit before tax of Rs. 29,861,953/- against loss of Rs. 81,080,694/- in the previous Financial Year showing positive growth. The Profit after tax for the year under review is Rs. 18,825,887/- as compared to a loss of Rs. 59,836,834/- in the previous year marking upwards graph in profit. The EPS of the company for the year ended 31.03.2017 is Rs.2.69. The Loan book, both secured and unsecured stood to Rs 328,275,120/- as on 31.03.2017. The secured loan is against securities.

Your company shares were traded under permitted securities category at BSE, pursuant to the notice dated 28.02.2017 issued by BSE, trading in the equity shares of the companies admitted in Permitted to Trade category has been discontinued w.e.f. March 08, 2017. Further BSE vide its notice dated 24.04.2017 permitted Re-commencement of trading of companies falling under Permitted to trade category w.e.f. 26.04.2017, as Regional Stock Exchange demonstrated

that the concerned companies are duly compliant with the listing requirements as applicable from time to time.

### 3. CHANGE IN NATURE OF BUSINESS:

There has been no change in nature of business of the company during the F.Y. 2016-2017. Your company is engaged in financial services and no other business segment is there and so there is only one segment reporting as per AS 17.

### 4. DIVIDEND:

Your Board of Directors has declared that the funds of the Company are required for future expansion of the Company and so the profits of the Company for the year ended 31<sup>st</sup> March 2017 shall be deployed for the said purpose. The Board has decided not to recommend any dividend for the year ended 31<sup>st</sup> March 2017.

### 5. CHANGES IN SHARE CAPITAL:

There has being no change in the share capital of the company during the year 2016-17. At the end of the year as on 31<sup>st</sup> March 2017 the paid up Equity Share Capital as on 31<sup>st</sup> March, 2017 stood at Rs 69,964,955/- (includes forfeited share capital).

### 6. TRANSFER TO RESERVE:

Your company has transferred Rs 3,765,177/- to statutory reserve under section 45 IC of RBI Act 1934 for the year ended 31<sup>st</sup> March 2017.

### 7. DIRECTORS & KEY MANAGERIAL PERSON:

#### DIRECTORS

In accordance with the Article of Association of the company and provisions of Companies Act 2013, Mr. K.K. Saraf retires by rotation and being eligible, seeks reappointment.

Mr. Daulat Jain was appointed as Managing Director & CEO of the company w.e.f. 01.11.2016 for a period of 3 years on the terms and conditions including remuneration as recommended by Nomination & Remuneration Committee subject to approval of shareholders.

Mr. Pawan Jain (DIN: 00038076) resigned from the post Managing Director & CEO and was appointed as

Whole Time Director designated as Executive Chairman of the company w.e.f. 01.11.2016 for a period of 3 years on the terms and conditions including remuneration as approved earlier by Nomination & Remuneration Committee in their meeting held on 01.05.2015 and by shareholders in the AGM held on 31st July 2015. Further the tenure with other terms & conditions are subject to approval of shareholders.

All the Independent Directors have given a declaration that they meet the criteria of independence as laid down under Section 149(6) of the Act and as per regulation 25 of SEBI (LODR) Regulation 2015. All requisite declarations were placed before the Board.

Pursuant to regulation 36 of SEBI (LODR) Regulation 2015, a brief resume / details relating to Directors who are proposed to be appointed/re-appointed are furnished in the Notice of the ensuing AGM.

The major highlights of the Remuneration Policy of the Company framed on Director's 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, are disclosed in the Corporate Governance Report.

#### **KEY MANGERIAL PERSONNEL**

In terms of section 203 of Companies Act 2013 and rules made thereon, the following are the Key Managerial Personnel of the company.

- 1) Mr. Pawan Jain –  
Whole Time Director ( Executive Chairman )
- 2) Mr Daulat Jain –  
Managing Director & CEO
- 3) Ms. Anju Mundhra –  
Executive Director – Legal & Company Secretary
- 4) Mr. Amit Jain –  
Chief Financial Officer

Further there was a revision in the remuneration structure of Mr. Amit Jain w.e.f. 01.06.2016.

#### **8. NUMBER OF MEETINGS OF THE BOARD:**

The Company has duly complied with section 173 of the Companies' Act 2013. During the year under review, Five board meetings were convened and held. The date on which meeting were held are as follow 4th May, 2016, 29th May 2016, 8th August, 2016, 29th October 2016, 30th January 2017 and further there was a circular meeting held on 26th April, 2016. The

maximum interval between any two meetings did not exceeded 120 days.

#### **9. FORMAL ANNUAL EVALUATION:**

During the year, the Board has carried out the annual evaluation of its own performance as well as the evaluation of the working of its Committees and individual Directors. This exercise was carried out through a structured questionnaire prepared separately for Board, Committee and individual Directors

The questionnaire and evaluation process was reviewed in the context of SEBI Guidance Note on Board evaluation dated January 5, 2017 and necessary alignment was made with the requirements. Separate exercise was carried out to evaluate the performance of chairman and Managing Director on basis of the parameters such as contribution, independent judgment, effective leadership to the Board, safeguarding of minority shareholders interest etc .

During the year under review, the Independent Directors of your Company carried out the performance evaluation of Non- Independent Directors and Chairperson at a separate meeting of Independent Director.

The Directors were satisfied with the Evaluation Results, which reflects the overall engagement of board and its committee with the company. Board's actions and decisions are aligned with the Company's best interest. All Directors are interactive and participative. The Directors at the individual level enhances the value of boards' effectiveness by elevating its knowledge and integrating the same in all desired ways so as to commit to the goal of sustainably elevating the Company's value creation for the long term. The Chairman has wide knowledge and vast experience and skills and understanding of the Board's Functioning

#### **10. MANAGERIAL REMUNERATION:**

The statement containing the disclosure as required in accordance with the provisions of Section 197(12) of the Companies Act, 2013 read with rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure A** and forms part of the Board Report.

Further, none of the employees of the Company are in receipt of remuneration exceeding the limit prescribed under rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 so statement pursuant to Section 197(12) of the

Companies Act 2013 read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not required to be included.

#### **11. DETAILS OF SUBSIDIARY / JOINT VENTURES / ASSOCIATE COMPANIES:**

Your Company has neither a Subsidiary Company nor a Joint Venture Company or an Associate Company during the year under review.

#### **12. AUDITORS**

##### **STATUTORY AUDITOR**

M/s. P.K Sah & Associates, Chartered Accountants were appointed as statutory auditor of the company for a period of 3 years at the Annual General Meeting of the Company held on 2nd September 2014 until the conclusion of the 24th Annual General Meeting.

In terms of Section 139 of the Companies Act, 2013, M/s. P.K Sah & Associates, Chartered Accountants will retire as Company's Auditors at the conclusion of the ensuing 24th Annual General Meeting. It is proposed to appoint M/s. Haribhakti & Co. LLP, as the new Statutory Auditors of the Company for a period of 5 continuous years i.e. from the conclusion of 24th Annual General Meeting to be held in the year 2017 till the conclusion of 29th Annual General Meeting of the Company to be held in the year 2022. M/s. Haribhakti & Co. LLP, have informed the Company that their appointment, if made, would be within the limits prescribed under Section 141 of the Companies Act, 2013 and have confirmed that they have subjected themselves to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold valid certificates issued by the Peer Review Board of the ICAI. M/s. Haribhakti & Co. LLP have also furnished a declaration in terms of Section 141 that they are eligible to be appointed as auditors and that they have not incurred any disqualification under the Company Act 2013. A brief profile of the Auditors is provided in the Notice of the Annual General Meeting. The Board recommends appointment of M/s. Haribhakti & Co. LLP as Statutory Auditors of the Company from the conclusion of 24th Annual General Meeting up to the conclusion of 29th Annual General Meeting of the Company, subject to ratification at every Annual General Meeting.

##### **SECRETARIAL AUDITOR:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/S. MR & Associates, Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2016-17. The Secretarial Audit Report for the year ended 31st March 2017 is annexed herewith as **Annexure B**.

##### **INTERNAL AUDITOR:**

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and rules framed thereon, your Company has appointed M/s. Shyamsukha Amit & Associates, Chartered Accountant to undertake the Internal Audit of the Company for the F.Y. 2016-2017. There stood no adverse finding & reporting by the Internal Auditor in the Internal Audit Report for the year ended 31st March 2017.

##### **AUDITOR REPORTS**

There are no qualifications, reservation or adverse remarks made by M/s P.K.Sah & Associates, the Statutory Auditor, in their Audit report on the financial statements for the year ended 31st March 2017 and by M/s. MR. & Associates, Company Secretaries, in their Secretarial Audit Report.

The Statutory Auditor has not reported any incident of fraud to the Audit committee of the company in the year under review.

#### **13. COMMITTEES:**

With a view to have a more focused attention on business and for better governance and accountability, and in accordance with applicable provisions, your Board has the following mandatory committees viz. Audit Committee, Stakeholders' Relationship Committee and Nomination and Remuneration Committee. The details of the committee with terms of reference along with composition and meeting held during the year are provided in the Corporate Governance.

#### **14. VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

Your Company has established a vigil mechanism for Directors and employees to report their genuine concerns and about unethical behavior, actual or suspected, fraud or violation of the Codes of conduct or ethics policy. It has adopted a Whistle Blower Policy and the same is hosted on the website of the company ([http://www.ashikagroup.com/PDF/Vigil\\_Mechanism\\_policy.pdf](http://www.ashikagroup.com/PDF/Vigil_Mechanism_policy.pdf)).

The details of the said vigil mechanism have been given in the Corporate Governance Report annexed to this Report.

#### **15. RISK MANAGEMENT POLICY:**

Pursuant to section 134(n) of Companies Act 2013 and Regulation 17(9) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, your company has a robust Risk management framework to identify, evaluate business risk and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the competitive advantage. The framework has a different risk model which helps in identifying risk trends, exposure and potential impact analysis at a company level. The key business risk identified by the company is disclosed in the Corporate Governance report.

#### **16. CORPORATE SOCIAL RESPONSIBILITY:**

The Company had not taken any initiatives on the activities of Corporate Social Responsibilities as the provisions relating to the same are not applicable to the Company.

#### **17. EXTRACT OF ANNUAL RETURN:**

Companies Act, 2013 makes mandatory for every company to prepare an extract in the format prescribed MGT 9. The detailed extract forming part of the Annual Return as on 31st March 2017 is annexed herewith as **Annexure - C**.

#### **18. MATERIAL CHANGES:**

There have been no material changes and commitments affecting the financial position of the company, which have occurred since 31st March 2017, being the end of the Financial Year of the Company to which financial statements relate and the date of the report.

#### **19. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURT OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE:**

There are no significant material orders passed by the Regulators / Courts/Tribunals which would impact the going concern status of the Company and its future operations.

There stood a complaint filed by Manali Properties Limited and M/S. Manali Properties & Finance Private Limited against company & its officers u/s 200 of the Criminal Procedure Code before the Court of Metropolitan Magistrate, Kolkata. Pursuant to the said complaint your company had made an application u/s 482 to Hon'ble High Court, Calcutta and the court has granted a stay order on 12.09.2012. The matter is till date pending before Bankshall court and High Court, Kolkata.

#### **20. INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY:**

The Company Internal Financial Control System are commensurate with the size, scale and complexity of its operations. Detailed procedural manuals are in place to ensure that all the assets are safeguarded, protected against loss, proper prevention & detection of frauds & error, the accuracy and completeness of the accounting records, and all transactions are authorized, recorded and reported correctly. The scope and authority of the Internal Audit (IA) function is defined in the internal financial control policy. These are monitored and routinely monitor and evaluated by the Statutory as well as Internal Auditors.

The Internal Auditor monitors and evaluates the efficiency and adequacy of Internal Financial control system in the Company, its compliance with operating systems, accounting procedures and policies. To maintain its objectivity and independence, the Internal Auditor reports directly to the Chairman of the Audit Committee of the Board, all the significant audit observations and follow up actions thereon. Both Statutory and internal auditor have quarterly sessions with the Audit committee. The Internal audit reports are placed before the Audit committee on quarterly basis and all findings and observation are recorded thereon. The said observation and comments, if any of the Audit Committee are placed before the board.

#### **21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF COMPANIES ACT 2013 :**

Your Company being the Non Banking Financial Company having the principal business of providing Loan and investment, is exempted from the provisions of the applicability Section 186 of the Companies Act, 2013. However, the details of investments & loans are given in notes to the financial statement.

**22. DEPOSITS:**

Your company is Non Deposit taking NBFC registered with RBI, thus the said clause is not applicable and the company does not accept any deposit. The Board of Directors has duly passed a resolution in their meeting giving effect to the aforesaid statement.

**23. CONTRACTS/ TRANSACTIONS / ARRANGEMENTS WITH RELATED PARTIES:**

All contracts/ arrangements/transactions with related parties entered by the company during the financial year 2016-17 were at arm's length basis and in the ordinary course of business and are in compliance with the applicable provision of the Companies Act 2013 and SEBI (LODR) Regulation 2015. There were no materially significant related party transactions made by the company with Promoters, Directors, KMPs or other designated person which may have a potential conflict with the interest of the company at large. Members may refer to the notes to the financial statements for details of related party transactions.

There were no material contracts or arrangements or transactions entered into by the company with related parties covered u/s 188 (1) of Companies Act 2013 and all related party transactions entered into by your Company were in the ordinary course of business and were on an arm's length basis, so information to be placed in AOC – 2 is not applicable.

In terms of Regulation 23(2) of SEBI Listing Regulations, 2015, The Audit Committee pre-approves all related party transactions except for the Related Party Transaction (RPTs) for which omnibus approval is granted by the Audit Committee from time to time. The details of the related party transactions undertaken during a particular quarter are placed at the meeting of the Audit Committee held in the succeeding quarter.

A Related Party policy has been devised by the board of Directors for determining the materiality of transactions with related parties and dealing with them and is hosted on the website ([www.ashikagroup.com](http://www.ashikagroup.com)) of the company and the link to the said policy has been provided elsewhere in the Annual Report.

**24. CORPORATE GOVERNANCE REPORT:**

Pursuant to Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, the report on Corporate

Governance and Management Discussion & Analysis forms part of the Annual Report. The Certificate from the Secretarial Auditor of the company confirming compliance with the conditions of Corporate Governance as stipulated under Schedule V of Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 also constitute an integral part of the Annual Report.

**25. DISCLOSURES ON POLICY AGAINST SEXUAL AND WORKPLACE HARASSMENT:**

The company has adopted the policy on redressal of Sexual and Workplace harassment as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act") and the same is displayed at the website of the company (<http://www.ashikagroup.com/PDF/sexual%20harassment%20policy-ACCL.pdf>). The Company believes that it is the responsibility of the organisation to provide an environment to its employee who is free of discrimination, intimidation and abuse and also to protect the integrity and dignity of its employees and to avoid conflicts and disruptions in the work environment. Further there stood no cases filed during the year under review.

**26. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGOES:**

Since the Company does not own any manufacturing facility, the requirements pertaining to disclosure of particulars relating to conservation of energy, technology absorption and foreign exchanges earning and outgo, as prescribed under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are not applicable.

**27. DIRECTORS RESPONSIBILITY STATEMENT:**

Your Directors to the best of their knowledge and belief and according to the information and explanation obtained by them make the following statement in terms of clause (c) of sub-section (3) of section 134 of Companies Act 2013 that —

- a) In the preparation of the annual accounts for the financial year ended on 31st March 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures.

- b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March 2017 and of the profit and loss of the company for that period;
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The directors had prepared the annual accounts on a going concern basis;
- e) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) 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

## 28. ACKNOWLEDGEMENTS:

Your Directors take the opportunity to thank the Regulators, Organizations and Agencies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, vendors, banks and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

For and on behalf of the Board of Directors

Place: Kolkata	(DAULAT JAIN)	(PAWAN JAIN)
Date: 27/07/2017	Managing Director	Chairman
	DIN: 00040088	DIN : 00038076

Annexure "A" to the Board Report

### DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- a. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year:

Name of the Directors	Designation	Remuneration (Rs)	Median Remuneration of employee (Rs)	Ratio of the remuneration to the median remuneration of the employee
Mr. Pawan Jain*	Executive Chairman	8,064,627	231,960	34.77
Mr. Daulat Jain**	Managing Director & CEO	502,190		2.16
Ms Anju Mundhra	Executive Director – Legal & Company Secretary	1,082,284		10.44
Mr Sanjay Kr Singh	Independent Director	Nil		Nil
Mr Kashi Prasad Khandelwal	Independent Director	Nil		Nil
Mr Sagar Jain	Independent Director	Nil		Nil
Mr Radhey Shyam Agarwal	Independent Director	Nil		Nil
Mr Keshav Kumar Saraf	Non Executive Director	Nil		Nil

\*Appointed as Executive Chairman (Wholetime Director) w.e.f. 01.11.2016

\*\*Appointed as Managing Director & CEO w.e.f. 01.11.2016

Note: Remuneration excludes sitting fees.

b. The percentage increase in the median remuneration of Employees in the financial year :

Sl. No.	Name of the Directors	Designation	Remuneration of previous year (Rs.)	Remuneration of current year (Rs.)	% of increase
1	Mr. Pawan Jain*	Executive Chairman	5,307,484	8,064,627	62.19
2	Mr. Daulat Jain**	Managing Director & CEO	0	502,190	-
3	Ms Anju Mundhra	Executive Director – Legal & Company Secretary	1,024,496	1,082,284	5.64
4	Mr Sanjay Kr Singh	Independent Director	Nil	Nil	Nil
5	Mr Kashi Prasad Khandelwal	Independent Director	Nil	Nil	Nil
6	Mr Sagar Jain	Independent Director	Nil	Nil	Nil
7	Mr Radhey Shyam Agarwal	Independent Director	Nil	Nil	Nil
8	Mr Keshav Kumar Saraf	Non Executive Director	Nil	Nil	Nil
9	Mr Amit Jain	Chief Financial Officer	854,080	2,421,788	183.56

\*Appointed as Executive Chairman (Wholetime Director) w.e.f. 01.11.2016

\*\* Appointed as Managing Director & CEO w.e.f. 01.11.2016

Note: Remuneration excludes sitting fees.

c. There number of permanent employees on the rolls of Company : 11

d. Average percentile increase already made in the salaries employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the Managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

1) Increase in salary of Managerial Personnel – 60.91%

2) Increase in salary of employee ( other than Managerial Personnel) – 137.10 %

e. Affirmation that the remuneration is as per the remuneration policy of the company : Yes,.

Annexure “B” to the Board Report

Form No. MR - 3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2017

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

To,  
The Members,  
**ASHIKA CREDIT CAPITAL LIMITED**  
226/1 A.J.C.Bose Road “Trinity”  
7<sup>th</sup> Floor, Kolkata 700020

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ASHIKA CREDIT CAPITAL LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

2. Based on our verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the Financial Year ended on 31<sup>st</sup> March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

3. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (d) The Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 and other applicable regulations /guidelines/circulars as may be issued by SEBI from time to time.

I further report that, there were no actions/ events in pursuance of;

- (a) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, the Company has complied with the following laws applicable specifically to the Company.

- a) Reserve Bank of India Act, 1934 and guidelines, directions and instructions issued by RBI through notifications and circulars relating to Non- banking Financial Institution laws from time to time.
- b) Prevention of Money Laundering Act, 2002 and The Prevention of Money-Laundering (Amendment) Act, 2012

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with The Calcutta Stock Exchange Limited and Metropolitan Stock Exchange Limited.

The trading in equity shares were discontinued w.e.f. 8th March 2017 under the "permitted securities" category of the nationwide platform of BSE Limited, and thereafter further allowed to re-commence its trading under Permitted Securities category w.e.f. 26th April, 2017 at BSE vide its notice No. 20170424-27 dated 24th April, 2017.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

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

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.



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

We further report that during the audit period, there are no specific events or actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc, referred to above.

This Report is to be read with our letter of even date which is annexed "Annexure A" and forms an Integral Part of this Report.

For M R & Associates  
Company Secretaries

[M R Goenka]  
Partner

Place : Kolkata  
Date : 30.04.2017

FCS No.:4515  
C P No.:2551

"ANNEXURE – A"

## TO THE SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017)

To,  
The Members  
**ASHIKA CREDIT CAPITAL LIMITED**  
226/1 A.J.C. Bose Road "Trinity"  
7th Floor, Kolkata 700020  
West Bengal

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

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

For M R & Associates  
Company Secretaries

[M R Goenka]  
Partner

Place : Kolkata  
Date : 30.04.2017

FCS No.:4515  
C P No.:2551

**Form No. MGT-9****EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31st March, 2017

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

<b>I. REGISTRATION AND OTHER DETAILS</b>	
1. CIN:	L67120WB1994PLC062159
2. Registration Date:	08/03/1994
3. Name of the Company	Ashika Credit Capital Ltd.
4. Category / Sub-Category of the Company:	Public Limited company /Indian Non Government Company
5. Address of the Registered office and contact details:	Trinity, 226/1, A.J.C.Bose Road, 7th Floor, Kolkata- 700020 Tel : ( 033) 4010 2500, Fax : (033) 4003 3254 Email id- <a href="mailto:secretarial@ashikagroup.com">secretarial@ashikagroup.com</a> , <a href="mailto:anjulohia@ashikagroup.com">anjulohia@ashikagroup.com</a> Website : <a href="http://www.ashikagroup.com">www.ashikagroup.com</a>
6. Whether listed company Yes / No	Yes
7. Name, Address and Contact details of Registrar and Transfer Agent, if any –	M/s. Maheshwari Datamatics Pvt Ltd, 6, Mangoe Lane, 2nd floor, Kolkata – 700001 Tel : (033) 22482248, 22435809/5029 Fax : (033) 22484787 Email id- <a href="mailto:mdpldc@yahoo.com">mdpldc@yahoo.com</a>

<b>II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>			
All the business activities contributing 10% or more of the total turnover of the Company shall be stated:			
Sl. No.	Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
1	Non Banking Financial Services	64990	43.76%
2	Advisory Income	64190	56.24%

<b>III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES</b>					
Sl. No.	Name and Address of the Company	CIN / GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	N. A.	N. A.	N. A.	N. A.	N. A.

**IV. SHARE HOLDING PATTERN**

(Equity Share Capital Breakup as percentage of Total Equity)

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 01, 2016)				No. of Shares held at the end of the year (As on March 31, 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.PROMOTERS</b>									
<b>(1) Indian</b>									
a) Individual/HUF	789,000	-	789,000	11.2798	789,000	-	789,000	11.2798	Nil
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	1,066,900	-	1,066,900	15.2527	1,066,900	-	1,066,900	15.2527	Nil
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	<b>1,855,900</b>	<b>-</b>	<b>1,855,900</b>	<b>26.5325</b>	<b>1,855,900</b>	<b>-</b>	<b>1,855,900</b>	<b>26.5325</b>	<b>Nil</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>1,855,900</b>	<b>-</b>	<b>1,855,900</b>	<b>26.5325</b>	<b>1,855,900</b>	<b>-</b>	<b>1,855,900</b>	<b>26.5325</b>	<b>Nil</b>
<b>B.PUBLIC SHAREHOLDING</b>									
<b>1.Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs - -	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2. Non -Institutions</b>									
<b>a)Bodies Corp.</b>									
i) Indian	4,117,629	138,000	4,255,629	60.8397	4,116,422	138,000	4,254,422	60.8224	0.0173
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b)Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs. 1 Lacs	178,904	44,457	22,3361	3.1932	184,593	44,457	229,050	3.2746	(0.0814)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 Lacs	644,076	11,000	65,5076	9.3652	644,076	11,000	655,076	9.3652	Nil

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 01, 2016)				No. of Shares held at the end of the year (As on March 31, 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify) - Clearing Member	4,525	-	4,525	0.0647	43	-	43	0.0006	0.0641
Non Resident Individual	335	-	335	0.0048	335	-	335	0.0048	Nil
<b>Sub-total (B)(2):-</b>	<b>4,945,469</b>	<b>193,457</b>	<b>5,138,926</b>	<b>73.4675</b>	<b>4,945,469</b>	<b>193,457</b>	<b>5,138,926</b>	<b>73.4675</b>	<b>Nil</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>4,945,469</b>	<b>193,457</b>	<b>5,138,926</b>	<b>73.4675</b>	<b>4,945,469</b>	<b>193,457</b>	<b>5,138,926</b>	<b>73.4675</b>	<b>Nil</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>6,801,369</b>	<b>193,457</b>	<b>6,994,826</b>	<b>100</b>	<b>6,801,369</b>	<b>193,457</b>	<b>6,994,826</b>	<b>100</b>	<b>Nil</b>

### ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Pawan Jain(HUF)	789,000	11.2798	Nil	789,000	11.2798	Nil	Nil
2	Ashika Hedge Fund Pvt Ltd	566,900	8.1046	Nil	566,900	8.1046	Nil	Nil
3	Ashika Share Trading Pvt Ltd	500,000	7.1481	Nil	500,000	7.1481	Nil	Nil
4	Pawan Jain *	Nil	Nil	Nil	Nil	Nil	Nil	Nil
5	Daulat Jain *	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Total</b>	<b>1,855,900</b>	<b>26.5325</b>	<b>Nil</b>	<b>1,855,900</b>	<b>26.5325</b>	<b>Nil</b>	<b>Nil</b>

\* Promoter Director

### iii) Change in Promoters' Shareholding

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year	1,855,900	26.5325	1,855,900	26.5325
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	No Change during the year			
	At the End of the year	1,855,900	26.5325	—	—

**iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	B Lodha Securities Limited#				
	April 01, 2016	250,000	3.5741	-	-
	March 31, 2017 (Transfer)	(250,000)	3.5741	-	-
	March 31, 2017	-	-	-	-
2	Winall Vinimay Pvt Ltd				
	April 01, 2016	144,753	2.0694	-	-
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease	No change			
	March 31, 2017	-	-	144,753	2.0694
3	Kripa Securities Pvt Ltd				
	April 01, 2016	145,000	2.0730	-	-
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease	No change			
	March 31, 2017	-	-	145,000	2.0730
4	Lilygold Merchants Private Limited				
	April 01, 2016	144,725	2.0690	-	-
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease	No change			
	March 31, 2017	-	-	144,725	2.0690
5	Brilliant Vincom Private Limited				
	April 01, 2016	143,620	2.0532	-	-
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease	No change			
	March 31, 2017	-	-	143,620	2.0532
6	Trident Distributors Private Limited *				
	April 01, 2016	64,462	0.9216	-	-
	March 31, 2017 – Transfer	120,000	1.7156	184,462	2.6371
	March 31, 2017	-	-	184,462	2.6371
7	Rohini Dealcom Private Limited				
	April 01, 2016	181,000	2.5876	-	-
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease	No change			
	March 31, 2017	-	-	181,000	2.5876

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
8	Class Commercial Private Limited				
	April 01, 2016	143,640	2.0535	-	-
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease	No change			
	March 31, 2017	-	-	143,640	2.0535
9	Apex Commotrade Private Limited				
	April 01, 2016	340,000	4.8607	-	-
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease	No change			
	March 31, 2017	-	-	340,000	4.8607
10	Swetambari Tradecom Private Limited*				
	April 01, 2016	129,786	1.8555	-	-
	March 31, 2017 – Transfer	130,000	1.8585	259,786	3.7140
	March 31, 2017	-	-	259,786	3.7140
11	Spice Merchants Private Limited				
	April 01, 2016	214,675	3.0691	-	-
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease	No change			
	March 31, 2017	-	-	214,675	3.0691
12	Sidhiman Vyapaar Private Limited#				
	April 01, 2016	138,685	1.9827	-	-
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease	No change			
	March 31, 2017	-	-	138,685	1.9827

\*Not in the list of Top 10 shareholders as on 01/04/2016 The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2017.

#Ceased to be in the list of Top 10 shareholders as on 31/03/2017. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2016.

**v) Shareholding of Directors and Key Management Personnel:**

Sl. No.	Name of the Directors and KMP	Shareholding at the beginning of the year 01/04/2016		Shareholding at the end of the year 31/03/2017	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Mr Pawan Jain, Executive Chairman#	-	-	-	-
2	Mr Daulat Jain, Managing Director & CEO	Nil	Nil	Nil	Nil
3	Mr K.P. Khandelwal	Nil	Nil	Nil	Nil
4	Mr R.S. Agarwal	Nil	Nil	Nil	Nil
5	Mr Sanjay Kr Singh	Nil	Nil	Nil	Nil
6	Mr K.K. Saraf	Nil	Nil	Nil	Nil
7	Mr Sagar Jain	Nil	Nil	Nil	Nil
8	Ms Anju Mundhra, ED & CS	Nil	Nil	Nil	Nil
9	Mr Amit Jain – CFO	Nil	Nil	Nil	Nil

# holding 789,000 shares in capacity of Karta of Pawan Jain (HUF)

**V. INDEBTEDNESS**

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

(Amount in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	NIL	NIL	NIL	NIL
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
Change in Indebtedness during the financial year	NIL	NIL	NIL	NIL
• Addition				
• Reduction				
<b>Net Change</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
Indebtedness at the end of the financial year	NIL	NIL	NIL	NIL
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager			Total Amount
		Pawan Jain, WTD##	Daulat Jain MD & CEO*	Anju Mundhra ED (WTD) & CS	
					Rs
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,785,777	502,190	1,082,284	9,370,251
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	278,850	-	-	278,850
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission -as % of profit -Other, specify	-	-	-	-
5	Other, please specify	-	-	-	-
	<b>Total (A)</b>	<b>8,064,627</b>	<b>502,190</b>	<b>1,082,284</b>	<b>9,649,101</b>
	Ceiling as per the Act	As per Part II, section II (A) Proviso of Schedule V as prescribed under Companies Act 2013.			

\*. Appointed as Managing Director & CEO w.e.f. 01.11.2016, ## resigned from post of Managing Director & CEO and further appointed as Whole Time Director w.e.f. 01.11.2016

### B. Remuneration to other directors:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Sagar Jain	K.K. Saraf	K.P. Khandelwal	R.S. Agarwal	Daulat Jain##	Sanjay Kumar Singh	
1.	Independent Directors							
	• Fee for attending board	20,000	-	25,000	25,000	-	25,000	95,000
	• Committee meetings #	8,000	-	14,000	14,000	-	1,000	37,000
	• Commission	-	-	-	-	-	-	-
	<b>Total(1)</b>	<b>28,000</b>	<b>-</b>	<b>39,000</b>	<b>39,000</b>	<b>-</b>	<b>26,000</b>	<b>132,000</b>
2.	Other Non-Executive Directors							
	• Fee for attending board	-	25,000	-	-	15,000	-	40,000
	• committee meetings	-	13,000	-	-	-	-	13,000
	• Commission	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>38,000</b>	<b>-</b>	<b>-</b>	<b>15,000</b>	<b>-</b>	<b>53,000</b>
	<b>Total (B)=(1+2)</b>	<b>28,000</b>	<b>38,000</b>	<b>39,000</b>	<b>39,000</b>	<b>15,000</b>	<b>26,000</b>	<b>185,000</b>
	Total Managerial Remuneration	No Remuneration is paid						
	Overall Ceiling as per the Act	No Commission or other remuneration apart from sitting fees is being paid to Non Executive Directors.						

# includes sitting fee for Independent Director meeting also.

## appointed as MD & CEO w.e.f. 01.11.2016, so no sitting fees paid thereafter

**C. Remuneration to Key Managerial Personnel Other than MD / Manager / WTD**

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		Amit Jain, CFO	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	2,421,788	2,421,788
2.	Stock option	-	-
3.	Sweat Equity	-	-
4.	Commission-as % of profit-Other, specify	-	-
5.	Other, please specify	-	-
	<b>Total (A)</b>	<b>2,421,788</b>	<b>2,421,788</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties / punishment / compounding of offences under any sections of the Companies Act, 2013 against the Company or its Directors or other Officers in default, if any, during the year.

For and on behalf of the Board of Directors

Place: Kolkata  
Date: 27/07/2017

(DAULAT JAIN)  
Managing Director  
DIN: 00040088

(PAWAN JAIN)  
Chairman  
DIN: 00038076

## CORPORATE GOVERNANCE REPORT

(Forming part of the Board Report for the year ended 31st March, 2017)

(As per Regulation 34(3) read with Clause C of Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015)

### 1) STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

ACCL believes that good Corporate Governance is essential to achieve long-term corporate goals and enhance stakeholders' value. Thus ACCL philosophy on corporate governance is based on integrity, emphasis on quality services and transparency in its dealing with all stakeholders. ACCL being a value driven organization, has always worked towards building trust with shareholders, employees, customers and suppliers based on principles of good governance namely, integrity, transparency, accountability and commitment to values

Ashika Credit Capital Limited continues to focus its strength, strategies and resources to become a truly global financial service provider.

The Board of Directors of the Company fully supports Corporate Governance practices of the Company and has complied with all the requirements of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and listed below is the status with regard to same.

### 2) BOARD OF DIRECTORS

Your Company endeavors to have a optimum combination of executive, non-executive and Independent Directors, including women director on the Board to brings diversity on the Board. As on 31st March, 2017, the Board comprised eight Directors, including five non-executive Directors out of which four are independent. The Chairman of the Board is a Promoter-Executive Director. Directors are renowned professionals, having diverse expertise in finance, taxation, corporate planning, legal procedures and compliance of law and general administration in letter and spirit and management, strengthens the governance and management of Company's affairs.

#### a) Composition, category and other relevant details of directors:

As per the Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 every listed entity having Executive Chairperson shall have at least half of the board members as Independent Directors'. The composition and category of directors is prescribed below:

Sl. No.	Name of Director & DIN No.	Category	No. of directorship held in Indian Public Ltd company other than ACCL@	#Committee positions including ACCL		Disclosure of relationship director inter se	No of Shares held ##
				Member	Chairperson		
1	Mr. Pawan Jain* (00038076)	Promoter, Executive Chairman (Wholetime Director)	1	0	0	Brother	789,000 holding in in capacity of Pawan Jain HUF
2	Mr. Daulat Jain** (00040088)	Promoter, Executive Director (Managing Director & CEO)	2	0	0	Brother	Nil
3	Mr. Radhey Shyam Agarwal (01142185)	Independent, Non Executive Director	0	1	1	-	Nil
4	Mr. Kashi Prasad Khandelwal (00748523)	Independent Non Executive Director	2	5	0	-	Nil
5	Mr. Sagar Jain (00392422)	Independent Non Executive Director	1	0	1	-	Nil
6	Mr. Sanjay Kumar Singh (00003695)	Independent Non Executive Director	4	2	1	-	Nil
7	Mr. Keshav Kumar Saraf (00595594)	Non Executive Director	2	4	0	-	Nil
8	Ms Anju Mundhra (06969718)	Executive Director (WTD)	0	0	0	-	Nil

\* Resigned from post Managing Director & CEO and appointed as Whole Time Director designated as Executive Chairman w.e.f. 1st November, 2016

\*\* Appointment as Managing Director & CEO w.e.f. 1st November, 2016

@ Excludes directorships held in Private Limited Companies, Foreign Companies and Section 8 Companies.

# Only Audit Committee and Stakeholders' Relationship Committee has been considered as per regulation 26 of SEBI (LODR) 2015 Regulations

**b) Attendance of each director at the meeting of the board of directors and the last Annual General Meeting:**

During the year the board meet 5 (five) time. The details of attendance of the same are given here under.

Sl. No.	Name of Director	Dates of Meeting & Attendance in meeting					Attendance at last AGM held 08/08/2016
		04/05/2016	29/05/2016	08/08/2016	29/10/2016	30/01/2017	
1	Mr. Pawan Jain	x	✓	✓	✓	✓	Yes
2	Mr. Daulat Jain	✓	x	✓	✓	✓	Yes
3	Mr. Radhey Shyam Agarwal	✓	✓	✓	✓	✓	Yes
4	Mr. Kashi Prasad Khandelwal	✓	✓	✓	✓	✓	Yes
5	Mr. Sagar Jain	x	✓	✓	✓	✓	Yes
6	Mr. Sanjay Kr Singh	✓	✓	✓	✓	✓	Yes
7	Mr. Keshav Kumar Saraf	✓	✓	✓	✓	✓	Yes
8	Ms Anju Mundhra	✓	✓	✓	✓	✓	Yes

**FAMILIARISATION PROGRAMME**

Pursuant to regulation 25(7) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015, your Company has conducted the familiarization programme for its Independent Directors on 31st December, 2016. The details of familiarization programme conducted during the year 2016-17 has being hosted on the website of the company ([http://www.ashikagroup.com/PDF/ACCL\\_Details\\_of\\_Familiarisation\\_2016\\_2017.pdf](http://www.ashikagroup.com/PDF/ACCL_Details_of_Familiarisation_2016_2017.pdf))

**INDEPENDENT DIRECTOR**

Pursuant to the regulation 25(7) of SEBI (LODR) Regulation 2015 and stipulated in the Code of Independent Director as per Companies Act 2013, a meeting of Independent Directors was held on 31st December, 2016 without presence of non – Independent Director and Members of Management. At this meeting, the IDs inter alia evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Chairman of the Board and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board. All the Independent Directors were present at the Meeting. The Independent Directors noted that Board of the Company works as a team and deliberate the matters in details and takes the decisions in the best interest of the Company.

**BOARD EVALUATION**

The board has a formal mechanism for carrying out the annual evaluation of its own performance as well as the evaluation of the working of its Committees and individual Directors, including chairman of the board. The exercise was carried out through a structured questionnaire prepared separately for Board, Committee and individual Directors. The Directors were satisfied with the evaluation results, which

reflected the overall engagement of the Board and its Committees with the Company. The performance of all directors was satisfactory and all of them have contributed effectively to the board. The brief details of the said evaluation is mentioned in the Board Report.

**(3) AUDIT COMMITTEE:**

**a) Brief description of terms of reference :**

The company has a well defined Audit committee comprising of 4 (four) directors all being non executive directors', majority being Independent Directors and the chairman also being Independent Director. They possess sound knowledge on accounts, audit, finance, taxation, internal controls etc. The company secretary to the company acts as secretary to the committee. The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. The primary objective of the Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the Management, the internal auditor, and the statutory auditor and notes the processes and safeguards employed by each of them.

The Audit Committee is formulated & defined in line of section 177 of Companies Act 2013 read with regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015; the committee shall act in accordance with the terms of reference specified by board which shall, inter alia, include—

- § Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
  - § Recommends board for appointment, re-appointment, remuneration, terms of appointment of Auditor and if required the replacement or removal of Auditors of the company.
  - § Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
  - § Reviewing with management, performance of Statutory & Internal Auditor, adequacy of Internal Control System, scope of audit and note the observation of Auditors.
  - § Examination & review of the Annual Financial Statement, Auditors' Report with management before submission to board with particular reference to :
    - Matters required being included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub section 3 of section 134 of the Companies Act, 2013.
    - Changes, if any, in accounting policies and practices and reasons for the same.
    - Major accounting entries involving estimates based on the exercise of judgment by management.
    - Significant adjustments made in the financial statements arising out of audit findings.
    - Compliance with listing and other legal requirements relating to financial statements.
    - Disclosure of any related party transactions.
    - Modified opinion(s) in the draft audit report.
  - § Review, approve or any subsequent modification of transactions of the company with related parties and to grant omnibus approval for related party transactions which are in the ordinary course of business and on an arm's length pricing basis subject to the approval of the Board;
  - § reviewing with management quarterly, half yearly financial statement before submission to board for approval;
  - § Valuation of undertakings or assets of the company, wherever it is necessary;
  - § Evaluation of internal financial controls and risk management systems;
  - § Reviewing with the management, the statement of uses /application of funds rose through an issue & other related matter and make appropriate recommendations to the Board.
  - § Discussion with Statutory Auditor before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
  - § The review the functioning of Vigil Mechanism /Whistle Blower Policy adopted for Directors & employees of the company to report their genuine concerns and shall have direct access to the chairperson of the Audit Committee in appropriate or exceptional cases
  - § Scrutiny of Inter corporate Loans & Investments.
  - § Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  - § Discussion with internal auditors any significant findings and follow up there on.
  - § Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
  - § To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
  - § Approval of appointment/ removal including terms of remuneration of Chief Financial Officer. (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- b) Composition, meeting and attendance during the year :**
- The committee met 5 (five) times during the year and the necessary quorum was present in all the meeting. The representatives of the Statutory Auditors are permanent invitees to the Audit Committee Meetings. The Company Secretary to the company acts as secretary to the committee. The Internal Auditor of the Company is invited to attend the Audit Committee meetings. The Chairman of the Audit Committee strives to be present at the Annual General Meeting to answer the shareholders queries, if any.

Name of Director	Category	Date of Meeting and Attendance in meeting				
		04/05/2016	29/05/2016	08/08/2016	29/10/2016	30/01/2017
Mr. Sagar Jain	Chairman, Non Executive and Independent	No	Yes	Yes	Yes	Yes
Mr. Kashi Prasad Khandelwal	Member, Non-Executive Independent	Yes	Yes	Yes	Yes	Yes
Mr. Radhey Shyam Agarwal	Member, Non-Executive Independent	Yes	Yes	Yes	Yes	Yes
Mr. K. K. Saraf	Member , Non-Executive	Yes	Yes	Yes	Yes	Yes

**(4) NOMINATION AND REMUNERATION COMMITTEE:**

**a) Brief description of terms of reference:**

The committee's constitution and terms of reference are in compliance with provisions of section 178 of Companies Act 2013 read with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The committee is primarily responsible for:

- ∅ Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, KMP and other employees
- ∅ Whether to extend or continue the term of appointment of the independent director, on the basis of the report of evaluation of independent directors.
- ∅ Identifying and assessing potential individuals in accordance with the Criteria laid down for appointment and re-appointment as Directors / Independent Directors on the Board and as Key Managerial Personnel / senior management and recommend to the Board their appointment and removal
- ∅ Formulate the criteria for performance evaluation of independent directors and the Board of directors.
- ∅ Devise a policy on Diversity of Board of Directors.
- ∅ Periodically reviewing the size and composition of the Board to ensure that the structured commensurate with the requirement of the company.

**b) Composition, meeting and attendance during the year:**

As on 31st March 2017, the Nomination and Remuneration Committee consist of the 4 (four) members all being non executive members. The Chairman is an Independent Director. The committee met 4 (four) times during the year

Name of Director	Category - Directorship	Date of Meeting and Attendance			
		04/05/2016	08/08/2016	29/10/2016	31/12/2016
Mr. Kashi Prasad Khandelwal	Chairman, Non Executive and Independent	Yes	Yes	Yes	Yes
Mr. Sagar Jain	Member, Non-Executive Independent	No	Yes	Yes	Yes
Mr. K. K. Saraf	Member, Non-Executive	Yes	Yes	Yes	Yes
Mr. R. S. Agarwal	Member, Non-Executive Independent	Yes	Yes	Yes	Yes

**c) Performance Evaluation Criteria for Independent Directors:**

Pursuant to the provisions of the Act and Regulation 17 of the Listing Regulations, the board has carried out the annual performance evaluation of its own performance, the directors as an individual and performance of various committees constituted of the board. The criteria for performance evaluation cover the areas relevant to the functioning of Independent Directors such as preparation, participation, conduct and effectiveness. The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation the Directors who were subject to evaluation had not participated.

The Board undertook the evaluation of performance of the independent directors based on various parameters relating to roles, responsibilities and obligations of the directors, contribution and level of participation of directors at meetings, understanding the business of the Company along with the environment and effectiveness of their contribution, their

responsibility towards stakeholders and independent judgment. Further, the performance of the committees of the Board was undertaken on various parameters relating to discharge of its functions & duties as per their respective terms of reference, process & procedure followed for discharging its functions, effectiveness of suggestions & recommendations received, size, structure & expertise of the committees of the Board and conduct of its meetings and procedure followed in this regard

#### d) Remuneration Policy:

The Company follows a policy on Appointment and Remuneration of Directors, Key Managerial Personnel and Senior Management Employees. The Remuneration policy is adopted by Nomination & Remuneration Committee. The key points derived from the said policy are mentioned below:

#### I) AIMS & OBJECTIVES

The aims and objectives of this remuneration policy may be summarized as follows:

- ❖ The remuneration policy aims to enable the company to attract, retain and motivate highly qualified members for the Board and other executive level.
- ❖ The remuneration policy seeks to enable the company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations.
- ❖ The remuneration policy will ensure that the interests of Board members & senior executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the company and will be consistent with the “pay-for-performance” principle.
- ❖ The remuneration policy will ensure that remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

#### II) CRITERIA, SELECTION AND APPOINTMENT: -

##### ❖ EXECUTIVE /NON EXECUTIVE DIRECTOR INCLUDING INDEPENDENT DIRECTOR

- ∅ The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as

Director and recommend to the Board his / her appointment.

- ∅ the extent to which the appointee is likely to contribute to the overall effectiveness of the Board, work constructively with the existing directors and enhance the efficiencies of the Company;
- ∅ the nature of existing positions held by the appointee including directorships or other relationships and the impact they may have on the appointee’s ability to exercise independent judgment.
- ∅ A person, to be appointed as Director, should possess deep expertise and insights in sectors / areas relevant to the company, ability to contribute to company’s growth, complementary skills in relation to the other Board members.
- ∅ In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- ∅ The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- ∅ The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.
  - ✓ Diversity of the Board.
  - ✓ Demonstrable leadership skills;
  - ✓ Commitment to high standards of ethics, personal integrity and probity;
  - ✓ Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace;
  - ✓ Having continuous professional development to refresh knowledge and skills.
  - ✓ Degree holder in relevant disciplines;
  - ✓ Experience of management in a diverse organization;
  - ✓ Excellent interpersonal, communication and representational skills
- ∅ In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

**❖ INDEPENDENT DIRECTOR**

- ∅ An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- ∅ No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on April 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.
- ∅ At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.
- ∅ Independent Director shall not be entitled to any stock option, if any introduced by the company.

**Role of Independent director:**

Independent Director shall abide by the Code for Independent Directors as laid down under Schedule IV of the Companies Act, 2013, or any amendments thereto and duties of Directors as provided in Section 166 of the Act and stipulated applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulations').

**KMPS AND SMP**

The Committee shall actively liaise with the relevant departments of the Company to study the requirement for management personnel, and produce a written document thereon;

- ∅ The Committee may conduct a wide-ranging search for candidates for the positions of KMP and SMP within the Company, within enterprises controlled by the Company or within enterprises in which the Company holds equity, and on the human resources market;
- ∅ To practice and encourage professionalism and transparent working environment;
- ∅ The professional, academic qualifications, professional titles, detailed work experience and all concurrently held positions of the initial candidates shall be compiled as a written document;
- ∅ A meeting of the Committee shall be convened, and the qualifications of the initial candidates shall be examined on the basis of the conditions for appointment of KMP and SMP;
- ∅ Before the selection of KMP or SMP, the recommendations of and relevant information on the relevant candidate(s) shall be submitted to the Board of Directors;
- ∅ A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board of Directors.

The Committee shall carry out other follow-up tasks based on the decisions of and feedback from the Board of Directors.

**❖ SELECTION OF BOARD MEMBERS/ EXTENDING INVITATION TO A POTENTIAL DIRECTOR TO JOIN THE BOARD**

Nomination & Remuneration Committee periodically evaluate the Performance of every director, ascertain their availability and make suitable recommendations to the Board. The Committee identifies suitable candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Committee, the Board evaluates the candidate(s) and decides on the selection of the appropriate member.

The Board then makes an invitation (verbal / written) to the new member to join the Board as a Director. On acceptance of the same, the new Director is appointed by the Board.

**III) RE-APPOINTMENT OF DIRECTORS**

The re-appointment of directors will not be automatic. The reappointment if any made shall be after consideration the report on the Performance Evaluation of each director as done by Board. The

board will ensure planned and progressive refreshing of the board. Every Director except Independent and Nominee Director shall retire from office at each Annual General Meeting. A Director who retires at an Annual General Meeting may, if willing to act, be reappointed.

#### IV) TERM OF MANAGING DIRECTOR/WHOLE-TIME DIRECTOR:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

#### V) REMOVAL:

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

#### VI) RETIREMENT:

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company pursuant to the applicable law.

#### VII) PRINCIPLES OF REMUNERATION:

The objective of the remuneration policy is to enable the Company to attract, motivate, and retain qualified industry professionals for the Board of Management and other executive level in order to achieve the Company strategic goals. The remuneration policy acknowledges the internal and external context as well as the business needs and long term strategy. The policy is designed to encourage behavior that is focused on long-term value creation, while adopting the highest standards of good corporate governance. The policy is built on the following principles:

- § **Vision And Strategy-** Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, supports and reinforces the achievement of the Company's vision and strategy.
- § **Transparent** –The policy and its execution are clear and practical.
- § **Aligned within the company's objectives** – The remuneration policy is aligned with the company's short term and long term objectives,

compatible with those of management and other employees.

- § **Long-term orientated** – The incentives focus on long-term value creation.
- § **Compliant** – Company adopts the highest standards of good corporate governance.
- § **Simple** – The policy and its execution are as simple as possible and easily understandable to all stakeholders.
- § **Internal equity-** The Company shall remunerate the board members, KMP and senior management in terms of their roles within the organisation. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.
- § **External equity-** The Company strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Therefore the Company will remain logically mindful of the ongoing need to attract and retain high quality people, and the influence of external remuneration pressures. Reference to external market norms will be made using appropriate market sources, including relevant and comparative survey data, as determined to have meaning to the Company's remuneration practices at that time.
- § **Flexibility-** Remuneration and reward offerings shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other legislation.
- § **Performance-Driven Remuneration-** The Company shall entrench a culture of performance driven remuneration through the implementation of the Performance Incentive System, as and when required.
- § **Affordability and Sustainability-** The Company shall ensure that remuneration is affordable affordable on a sustainable basis.

#### VIII) REMUNERATION

- ❖ Executive Directors (MD, CEO, WTD /Manager)
  - ✓ The remuneration / compensation / commission etc. to Directors will be determined by the Committee and recommended to the Board for approval.
  - ✓ The remuneration and commission to be paid to the Executive Directors shall be in accordance with the provisions of the Companies Act, 2013, and the rules made there under.
  - ✓ Increments to the existing remuneration / compensation structure may be

recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Executive Directors, as applicable.

- ✓ At the time of appointment or re-appointment, the CEO/ Managing Director/WTD shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and the CEO/Managing Director/WTD within the overall limits prescribed under the Companies Act, 2013.
- ✓ The remuneration shall be subject to the approval of the Members of the Company in General Meeting.

The remuneration of the Executive Director is broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retiral benefits. The variable component comprises performance bonus/commission.

In determining the remuneration (including the fixed increment and performance bonus) the N&R Committee shall ensure / consider the following:

- ✓ the relationship of remuneration and performance benchmarks is clear;
- ✓ balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
- ✓ responsibility required to be shouldered by the CEO & Managing Director, the industry benchmarks and the current trends;
- ✓ the Company's performance vis-à-vis the annual budget achievement and individual performance vis-à-vis the KRAs / KPIs.

❖ **Minimum remuneration to Managing Director /WTD**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director / WTD in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government

❖ **Non Executive Director:**

Non-Executive Directors are paid sitting fees for each meeting of the Board or its committees attended by them. No other commissions are paid to Non executive Directors. Presently there are no stock option benefits given to any of its directors.

❖ **Independent Directors**

The Independent Directors will receive remuneration by way of fees for attending meetings of Board or Committee thereof, as decided by the Committee from time to time subject to the limit defined under the Companies Act, 2013 and rules. Further the Independent Directors of the Company shall not be entitled to participate in Stock Option Scheme of the Company, if any, introduced by the Company

❖ **KMP and SMP**

- ✓ The remuneration / compensation / commission etc. to KMP and SMP will be determined by the Committee and recommended to the Board for approval.
- ✓ At the time of appointment, KMP and SMP shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and KMP and SMP.
- ✓ The remuneration of KMP and SMP is broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retiral benefits. The variable component comprises performance bonus and Incentives.

**IX) REVIEW**

This policy is framed based on the provisions of the Companies Act, 2013, and rules there under and the requirements of the Clause 49 of the equity Listing Agreement. In case of any subsequent changes in the provisions of the Companies Act, 2013, or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy.

This policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification on the policy as recommended by the Committee would be given for approval of the Board of Directors.

**(5) REMUNERATION OF DIRECTORS:**

- a) None of our Non-Executive Directors has any pecuniary relationship or transaction with the Company, except to the extent of shareholding, if any in the Company.

**b) Criteria of making payments to Non-Executive Directors:**

Non – Executive Directors are paid sitting fees for each meeting of the board or its committees

attended by them. No other commissions are paid to Non – Executive Director. Presently there are no stock option benefits given to any of its directors. Further the details are disseminated on the website of the company @ [http://www.ashikagroup.com/PDF/Criteria\\_for\\_Payment\\_to\\_Non\\_Executive\\_Directors.pdf](http://www.ashikagroup.com/PDF/Criteria_for_Payment_to_Non_Executive_Directors.pdf).

**c) Detail of Remuneration package :**

The aggregate value of salary, perquisites and other benefits paid to Executive Director including Managing Director during the year 2016-17

Particulars	Mr. Pawan Jain		Mr. Daulat Jain	Ms. Anju Mundhra
<b>Designation</b>	Managing Director & CEO (resigned w.e.f. 01.11.2016)	Whole Time Director - Executive Chairman (appointed w.e.f. 01.11.2016 )	Managing Director & CEO (appointed w.e.f. 01.11.2016)	Executive Director – Legal & Company Secretary
Salary, Perquisites, allowances, bonus	Rs 8,064,627/- p.a.		Rs 502,190/- p.a	Rs 1,082,284/- p.a
Period of Agreement	Upto 30.11.2018	Upto 31.10.2019	Upto 31.10.2019	Upto 31.01.2018
Notice period	One month		One month	One month
Severance fees	NIL		NIL	NIL
Stock Options	789000 holding shares as Karta of Pawan Jain (HUF)		NIL	NIL

**Other benefits**

- Gratuity - Shall not exceed half month's salary for each completed year of service
- Company's car with driver - Use of Company's car with driver for the business of the company, if provided
- Telephone, cell phone, computer system and other communication facilities at residence

The sitting fees paid during the financial year 2016-17 to the Non-Executive Directors for attending the Board and Committee Meetings for the year 2016-17, are as follows:

Name of Director	Sitting fees	Stock Option	Total
Mr. Daulat Jain (Managing Director & CEO)**	15,000	N.A.	N.A.
Mr. Kashi Prasad Khandelwal	39,000	N.A.	N.A.
Mr. R.S.Agarwal	39,000	N.A.	N.A.
Mr. Sagar Jain	28,000	N.A.	N.A.
Mr. K.K. Saraf	38,000	N.A.	N.A.
Mr. Sanjay Kr Singh	26,000	N.A.	N.A.

\*\* Appointed as Managing Director & CEO w.e.f. 1st November, 2016

**(6) STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

**a) Brief description of terms of reference:**

The Stakeholders' Relationship Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015. The committee consists of the three non executive directors as members. The Committee met as and when required during the year. The committee met 4 (four) times in the year 2016-2017. The review of activities of Share Transfer Agent is undertaken quarterly by the Company Secretary. The terms of reference of the committee are:

- Consider & Resolve the Grievances of Security holders including complaints related to transfer of shares, non receipt of balance sheet, non receipt of declared dividends
- Transfer & transmission of shares
- Issue of duplicate shares

- Exchange of new design share certificates
- Recording dematerialization & rematerialization of shares & related matters.

**b) Composition, meeting and attendance during the year:**

Name of member	Category	Dates of Meeting & Attendance			
		04.05.2016	08.08.2016	29.10.2016	30.01.2017
Mr. R. S. Agarwal	Chairman , Non Executive Independent	✓	✓	✓	✓
Mr. K. K. Saraf	Member , Non Executive	✓	✓	✓	✓
Mr Kashi Prasad Khandelwal	Member , Non Executive Independent	✓	✓	✓	✓

**Compliance Officer:** Ms Anju Mundhra, the Executive Director (Legal) & Company Secretary of the company is the Compliance Officer of the Company.

**Grievances Details:**

Particulars	2016-2017
Number of complaint at the beginning of the year	Nil
Number of Shareholder's Complaints received during the year	Nil
Number of complaint not solved to the satisfaction of shareholders	Nil
Number of pending complaints at the end of the year	Nil

**(7) RISK MANAGEMENT:**

The company is not required to formulate the Risk Management Committee but it has laid down a well defined risk management mechanism covering the risk analysis, risk exposure and risk mitigation process. It has in place the Risk management policy, which carries out to identify, evaluate, manage and monitor the business and non business risk. The board periodically reviews the risk and suggests steps to be taken to control and mitigate the same. The policy identifies and assesses the key risk area, monitor and report compliance and effectiveness of the policy and procedure. The purpose of this policy is to address unanticipated and unintended losses to the human resources, financial assets and property of the Organization without unnecessarily limiting the activities that advance the Organization's mission and goals. The following broad categories of risks have been considered in our risk management framework:

**Market Risk:** Risks emanating out of the choices we make on markets, resources and delivery model that can potentially impact our long-term competitive advantage.

**Operational Risk:** Risks inherent to business operations including those relating to client acquisition, service delivery to clients, business support activities, information security, physical security and business activity disruptions.

**Interest Risk:** Interest rate risk is the risk where changes in market interest rates might adversely affect an NBFC's financial condition.

**Credit Risk :** Ownership structure could have a key influence on an NBFC's credit profile in that a strong promoter and strategic fit with the promoter can benefit an NBFC's earning, liquidity and capitalization, and hence its credit profile.

**Liquidity Risk:** Measuring and managing liquidity needs are vital for effective operation of company. The importance of liquidity transcends individual institutions, as liquidity shortfall in one institution can have repercussions on the entire system.

**Human Resource Risk:** ACCL Human Resource adds value to the entire company by ensuring that the right person is assigned to the right job and that they grow and contribute towards organizational excellence.

**Regulations and compliance:** The Company is exposed to risk attached to various statutes and regulations.

**(8) GENERAL BODY MEETINGS:**

**a) The details of last three Annual General Meetings held:**

Date	Venue	Time	Number of Special resolutions passed
8th August, 2016	" TRINITY ", 226/1 A.J.C. Bose Road, 7th Floor, Kolkata-700020	11:00 A.M.	4 (Four)
31st July, 2015	" TRINITY ", 226/1 A.J.C. Bose Road, 7th Floor, Kolkata-700020	11.30 A.M	2 (Two)
2nd September, 2014	" TRINITY ", 226/1 A.J.C. Bose Road, 7th Floor, Kolkata-700020	11.30 A.M	5 ( Five)

All resolutions moved at the last Annual General Meeting were passed by the requisite majority of shareholders. No Extra-ordinary General Meeting of the shareholders was held during the year. No Special resolution was passed last year through postal ballot .

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a Special Resolution through Postal Ballot.

**(9) MEANS OF COMMUNICATION:**

- ∅ The unaudited quarterly / half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within 60 (sixty) days from the close of the financial year as per the requirements of the Listing Agreement with the Stock Exchanges. The approved results are sent to the stock exchanges where the company shares are listed and traded and uploaded on designated portal of exchanges viz BSE Online Portal of BSE Ltd. (BSE) and Metropolitan Stock Exchange of India (MSEI). The results are also published within 48 hours in Business Standards (English) – All India Edition and in Arthik Lipi, vernacular newspaper (Bengali) and also displayed on the Company's website, [www.ashikagroup.com](http://www.ashikagroup.com).
- ∅ All material information relating to the company which are potentially price sensitive in nature matters or which could impact the continuity of the information publicly available for the company are disclosed to stock exchange as per the Company's Policy on Material Information.
- ∅ The Annual Report and other statutory filings are posted on the website of the company [www.ashikagroup.com](http://www.ashikagroup.com). The website also contains information on the businesses of the Company, governance and important policies of the Company
- ∅ New and press release as available are posted on the website of the company. During the year under review there were no such news releases.
- ∅ As the company does not have any institutional investors and angel investors, so the said clause is not applicable and will be complied if in the course of action it attracts.
- ∅ The Management Discussion and Analysis Report form a part of the Annual Report.
- ∅ A Certificate on Compliance of conditions of Corporate Governance issued by Practicing Company Secretary is annexed with the Report.
- ∅ The Company has registered itself on SCORES and endeavors to resolve all investor complaints received through SCORES or otherwise within 15 days of the receipt of the complaint. During the year, the Company has not received any investor complaints through SCORES.

**(10) GENERAL SHAREHOLDER INFORMATION:**

- a) Annual General Meeting - date, time and venue : Thursday, 7th September, 2017 at 11:30 A.M. at Trinity, 226/1, A.J.C. Bose Road, Kolkata– 700020
- b) Date of book Closure : 1st September, 2017 to 7th September, 2017 (both days inclusive)
- c) Financial Year : 1st April 2016 to 31st March 2017
- d) Dividend payment date : The board has not recommended any dividend for the year under review
- e) Listing on Stock Exchange :

Sl. No.	Name of Stock Exchange	Address (s)	Scrip code / symbol
1	The Calcutta Stock Exchange Limited	7, Lyons Range Kolkata 700001	11591 & 10011591
2	Metropolitan Stock Exchange Limited	Exchange Square, Suren Road, Chakala, Andheri (East), Mumbai- 400093	ASHIKA
3	BSE Limited (traded under permitted securities category) #	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001	590122 (ASHIKACR)

*#The shares of the company were traded on BSE under permitted securities category till 07.03.2017 and further re-commenced the trading under permitted to trade w.e.f. 26.04.2017*

- f) Listing Fees to Stock Exchanges : The Annual Listing Fees for the year 2016-17 have been paid to all the stock Exchanges where securities of the company are listed.
- g) Annual Custody Fees to Depositories : The Company has paid Annual Custody Fees for the year 2016-17 to both the depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

- h) International Securities Identification Number (ISIN) of the Company : INE094B01013.  
INE094B01011 (partly paid ISIN)
- i) Corporate Identification Number (CIN) : L67120WB1994PLC062159
- j) Registered office address : Trinity, 7th Floor, 226/1, A.J.C. Bose Road, Kolkata – 700020  
Tel: (033) 40102500 • Fax: (033) 40033254/ 40102543  
Website: [www.ashikagroup.com](http://www.ashikagroup.com)  
Email: [secretarial@ashikagroup.com](mailto:secretarial@ashikagroup.com)
- k) Branch office address : 7, B.B. Ganguly Street, 4th Floor, Kolkata – 700012  
Email: [secretarial@ashikagroup.com](mailto:secretarial@ashikagroup.com)
- l) Market Price Data :  
The high / low market prices of the shares during the year 2016-2017 at the exchanges were as under:-

Month	CSE		MCX-SX		BSE	
	High	Low	High	Low	High	Low
April, 2016	----	----	----	----	30.00	29.00
May, 2016	----	----	----	----	28.45	33.30
June, 2016	----	----	----	----	31.30	29.55
July, 2016	----	----	----	----	31.90	31.50
August, 2016	----	----	----	----	31.30	28.40
September, 2016	----	----	----	----	29.40	27.30
October, 2016	----	----	----	----	28.85	26.15
November, 2016	----	----	----	----	26.10	26.00
December, 2016	----	----	----	----	26.00	25.00
January, 2017	----	----	----	----	26.50	25.50
February, 2017	----	----	----	----	27.50	26.00
March, 2017*	----	----	----	----	----	----

\* Discontinued to be traded on BSE Permitted category w.e.f. 8th March, 2017 vide Notice No. 20170228-18 dated 28th February, 2017 and further recommenced the trading under permitted to trade category w.e.f 26.04.2017 vide notice no 20170424-27 dated 24th April 2017

- m) Registrar and Transfer Agents : Maheswari Datamatics Pvt Ltd (MDPL)  
23, R. N. Mukherjee Road, 5th Floor, Kolkata 700 001  
Tel: 91-33-22482248, 22435029/ 5809  
Fax no: 91-33-2248 4787 • Email: [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com).

n) Share transfer system :

- Ø **Share Transfer:** Approx 97% of the equity shares of the Company are in electronic form. Transfer of these shares is done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form the transfer documents can be lodged with

MDPL at the above mentioned addresses. Transfer of shares in physical form is normally processed within ten to twelve days from the date of receipt, if the documents are complete in all respects. The transfer of share is approved by the Committee, which are noted at subsequent board meetings.

- Ø Members who hold shares in dematerialized form should correspond with the Depository participant with whom they maintain Demat Account/s, for their queries relating to shareholding, change of address, credit of dividend through NECS. However, queries relating to non-receipt of dividend, non-receipt of annual reports, or on matters relating to the working of the Company should be sent to the Company or Share Transfer Agent.

- Ø Members are requested to indicate their DP ID & Client ID/ Ledger Folio number in their correspondence with the Company and also to provide their Email addresses and telephone numbers/FAX numbers to facilitate prompt response from the Company.

- Ø **Furnish copies of Permanent Account Number (PAN):** The members are requested to furnish their PAN which will help us to strengthen compliance with KYC norms and Prevention of Money Laundering Act, 2002 for transfer of shares in physical form, SEBI has made it mandatory to the transferee to submit a copy of PAN card to the Company.
- Ø **Nomination facility for shareholding:** As per the provisions of the Companies Act, 2013, facility for making nomination is available for members in respect of shares held by them. Members holding shares in physical form may obtain nomination form, from the Company or download the same from the Company's website. Members holding shares in dematerialized form should contact their Depository Participants (DP) in this regard.

o) Category-wise shareholding pattern as on March 31, 2017

Sr. No	Category	No. of shares	% holding
1	Promoter & promoter Group	1,855,900	26.5325
2	Institution – Public	Nil	Nil
3	Body Corporate - Public	4,254,422	60.8224
4	Individual - Public	884,126	12.6397
5	Clearing member	43	0.0006
6	Non Resident Individual	335	0.0048
	<b>Total</b>	<b>6,994,826</b>	<b>100.00</b>

p) Distribution of Shareholding as on March 31, 2017

Slab of shareholding	Number of Shareholders	% of total no of Shareholders	Number of Shares	% to total no of Shares
500	675	78.5797	28,821	0.4120
501-1000	33	3.8417	28,044	0.4009
1001-2000	37	4.3073	65,786	0.9405
2001-3000	7	0.8149	18,950	0.2709
3001-4000	10	1.1641	37,831	0.5408
4001-5,000	7	0.8149	33,716	0.4820
5001-10000	17	1.9790	141,504	2.0230
Above 10000	73	8.4983	6,640,174	94.9298
<b>Total</b>	<b>859</b>	<b>100.0000</b>	<b>6,994,826</b>	<b>100.0000</b>

- q) Dematerialization of shares and liquidity : About 97.23% of total equity share capital is held in dematerialized form as on 31st March 2017. The Company's shares are available for trading in then depository system of both NSDL and CDSL.
- r) Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity : None
- s) Commodity price risk or foreign exchange risk and hedging activities : None
- t) Plant locations : None
- u) Address for correspondence :

Company Address	Registrar and Share Transfer Agent
Secretarial Department MS. ANJU MUNDHRA Executive Director (Legal) & Company Secretary "Trinity", 7th floor, 226/1, A.J.C. Bose Road Kolkata – 700 020. Tel No. (033) 40102500 Fax No. (033) 40033254, 40102543 Email : anjulohia@ashikagroup.com, secretarial@ashikagroup.com	MAHESHWARI DATAMATICS PRIVATE LIMITED 23, R. N. Mukherjee Road, 5th Floor, Kolkata 700 001 Tel no: 91-33-2243 5029/5809, 2248 2248 Fax no: 91-33-2248 4787 Email: mdpldc@yahoo.com



- ∅ The Board: The Company does not have non executive chairman, so it does not maintain such office.
- ∅ Shareholder Rights: As the quarterly and half year financial results are published in the newspaper, send to stock changes and uploaded on the website of the company, so the same are not being send to shareholders.
- ∅ Audit Qualification: The financial statements for the year ended don 31st match 2017 does not contain any audit qualification.
- ∅ Reporting of Internal Auditor : The Internal Auditor is a permanent invitee to the Audit Committee meeting and reports their finding to the Audit Committee

**(e) Determining 'Material Subsidiaries:**

During the year ended 31st March, 2017, the Company does not have any material listed/unlisted subsidiary companies as defined in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; therefore the company has not formed as of now any such policy on Material Subsidiaries.

- (f) The company did not engaged in the commodity hedging activities during the year under review.
  - (g) The Independent Directors have confirmed that they meet the criteria of 'Independence' as stipulated under SEBI LODR Regulation, 2015.
  - (h) Business Risk Evaluation and Management is an ongoing process within the company. The company has been addressing various risks impacting the company and the policy of the company on risk management is uploaded on the website of the company .
- (12) There has been no such non compliance of any requirement of Corporate Governance Report.
- (13) The company has fully complied with the Applicable requirements specified under regulation 17 to 27 and clause (b) to (i) of Sub regulation (2) of regulation 46 of SEBI (LODR) Regulation 2015. The disclosure of the said has being made in the section of this Corporate Governance Report.

**(14) CODE OF CONDUCT FOR BOARD AND SENIOR MANAGEMENT PERSONNEL:**

The Board of Directors has adopted the Code of Conduct for Directors and Senior Management Personnel and the said code is uploaded on the website of the company at [http://www.ashikagroup.com/PDF/Code\\_of\\_Conduct.pdf](http://www.ashikagroup.com/PDF/Code_of_Conduct.pdf). All the Board members and senior management personnel have confirmed compliance with the code .Affirmation regarding compliance of the Code of

Conduct by the CEO of the Company has been published elsewhere in this Annual Report.

**(15) CEO/ CFO CERTIFICATION:**

The Managing Director and CFO of the Company have certified to the Board of Directors, inter alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) of the Listing Regulations for the year ended 31st March 2017.

**(16) RECONCILIATION OF SHARE CAPITAL AUDIT:**

The Company Secretary-in-Practice carried out a Reconciliation of Share Capital Audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

**(17) POLICY AGAINST SEXUAL AND WORKPLACE HARASSMENT:**

The Company values the dignity of individuals and strives to provide a safe and respectable work environment to all its employees. The Company believes to protect the integrity and dignity of its employees and also to avoid conflicts and disruptions in the work environment due to such cases.

The Company has put in place a 'Policy on Sexual Harassment' as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act"). As per the policy, any employee may report his / her complaint to the Redressal Committee formed for this purpose. We affirm that adequate access was provided to any complainant who wished to register a complaint under the policy, during the year. There has no case placed before the committee. The said policy is hosted on the website of the company (<http://www.ashikagroup.com/PDF/sexual%20harassment%20policy-ACCL.pdf>)

**(18) POLICY FOR DETERMINING MATERIALITY OF AN EVENT OR INFORMATION AND FOR MAKING DISCLOSURES TO STOCK EXCHANGES:**

Pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015, the Board of Directors of the Company have approved the Policy for determining materiality of an event or information and for making disclosures to Stock Exchanges which is effective from December 1, 2015 and same is available on the website of the company at ([www.ashikagroup.com/PDF/Policy\\_for\\_Determination\\_of\\_Materiality\\_for\\_Disclosures\\_of\\_any\\_events\\_or\\_information.pdf](http://www.ashikagroup.com/PDF/Policy_for_Determination_of_Materiality_for_Disclosures_of_any_events_or_information.pdf).) The Board of Directors of the Company have authorized The Chief Executive Officer and Chief

Financial Officer of the Company to determine materiality of an event or information and Company secretary & Chief Financial Officer for making disclosures to Stock Exchanges under the said regulation.

**(19) CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION:**

Pursuant to Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company, during the year, approved and adopted the “Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information”. The Code has also been hosted on the website of the Company, viz., [http://www.ashikagroup.com/PDF/Code\\_of\\_Practice\\_and\\_Procedure\\_for\\_Fair\\_Disclosure\\_of\\_Unpublished\\_Price\\_Sensitive\\_Information\\_new.pdf](http://www.ashikagroup.com/PDF/Code_of_Practice_and_Procedure_for_Fair_Disclosure_of_Unpublished_Price_Sensitive_Information_new.pdf).

**(20) PROHIBITION OF INSIDER TRADING:**

In compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) the Company has adopted a Code of Conduct for regulating, monitoring and reporting of Trading by Insider with a view to regulate trading in

securities by the Directors and designated employees of the Company. This policy also provides for periodical disclosures from designated employees as well as preclearance of transactions by such persons. The Compliance Officer is responsible for implementation of the Code. During the year under review there has been due compliance with the said code. All Board Directors and the designated employees have confirmed compliance with the Code. The said code is available on the website of the company.

**(21) COMPLIANCE WITH ACCOUNTING STANDARD:**

The company has followed all relevant Accounting Standards notified by the Companies (Accounting Standard) Rules 2006, while preparing the Financial Statements.

(22) None of shares of the company are lying in the demat suspense account or unclaimed suspense account.

For and on behalf of the Board of Directors

	(DAULAT JAIN)	(PAWAN JAIN)
Place: Kolkata	Managing Director	Chairman
Date: 27/07/2017	DIN: 00040088	DIN: 00038076

**COMPLIANCE CERTIFICATE**

[Pursuant to Regulation 17(8) of SEBI (LODR) Regulations, 2015]

We, Daulat Jain, Managing Director and Chief Executive Officer and Mr. Amit Jain, Chief Financial Officer of Ashika Credit Capital Limited, undersigned do hereby certify the following:

- A. They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
  - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of their knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. They have indicated to the auditors and the Audit committee
  - (1) significant changes in internal control over financial reporting during the year;
  - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Yours sincerely,

Date: 27.07.2017

Place: Kolkata

(Daulat Jain)  
Chief Executive Officer

(Amit Jain)  
Chief Financial Officer

## **COMPANY SECRETARY CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To  
The Members of Ashika Credit Capital Limited

1. We have examined the compliance of conditions of Corporate Governance by Ashika Credit Capital Limited (hereinafter called the Company) for the Financial Year ended on 31st March, 2017, as stipulated in the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulations').
2. 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 implementations 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.
3. In our opinion and to the best of our information and according to the explanations given to us and based on the representation made by the directors and management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulations').
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Kolkata  
Date: 27.07.2017

For MR & Associates  
Company Secretaries  
Sd/-  
M R Goenka  
Partner  
FCS No: 4515  
C P No.: 2551

## **MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER DECLARATION**

To  
The Members of Ashika Credit Capital Ltd.

I, Daulat Jain, Managing Director & CEO of Ashika Credit Capital Limited do hereby confirm that all the member of Board and Senior Management Personnel have affirmed compliance with Code of Conduct.

For Ashika Credit Capital Ltd

Date: 27.07.2017

(Daulat Jain)  
Managing Director & CEO  
Din: 00040088

## **Independent Auditor's Report**

**To the Members of  
Ashika Credit Capital Limited**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **Ashika Credit Capital Limited** ('the Company'), which comprise the Balance Sheet as at 31<sup>st</sup> March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2017 and its profit and its cash flows for the year ended on that date.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure – A', a statement on the matters specified in the para 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:

- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of the written representations received from the directors as on 31<sup>st</sup> March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure – B'; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and

Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i) the Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer note no. 23 to the financial statements;
- ii) the Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
- iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv) The Company has provided requisite disclosures in its financial statements as to holding as well as dealings in specified bank notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note No. 28 to the financial statement.

**For P. K. SAH & ASSOCIATES**  
**Chartered Accountants**  
 Firm Registration No. 322271E

**(P. K. Sah, FCA)**

**Partner**

**Membership No. 056216**

**Place : Kolkata**  
**Date : 30<sup>th</sup> April , 2017**

## ‘Annexure – A’ to the Independent Auditor’s Report

**Referred to in Paragraph 1 under the heading ‘Report on Other Legal and Regulatory Requirements’ of our report of even date to the members of Ashika Credit Capital Limited:**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) As per the information and explanations given to us fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification;
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the following title deeds of immovable properties are not held in the name of the Company:

Particulars	Total Number of cases	Gross Block as at 31.03.2017	Net Block as at 31.03.2017	Remarks
Buildings	1	1,562,394	1,351,133	Property allotted by developer and possession taken pending registration

- (ii) Since the Company does not hold any physical inventory, para 3(ii) of the Order are not applicable.
- (iii) The Company has granted unsecured loans to one body corporate covered in the register maintained under section 189 of the Act, and the same has been returned within the year.
- (a) The terms and conditions of the grant of such loans were not prejudicial to the Company’s interest;
- (b) No schedule for repayment of principal and interest has been stipulated as the loans were repayable on demand;
- (c) There are no overdue amounts in respect of the loan granted for more than ninety days.
- (iv) According to the information and explanations given to us and on the basis of examination of the records of the Company, the provisions of section 185 and 186 of the Act are not applicable to the Company. Accordingly, paragraph 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits from the public.
- (vi) The provisions relating to maintenance of cost records as referred to in Section 148(1) of the Act are not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income-tax, service tax, cess and any other statutory dues, whatever applicable to it, with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales-tax, duty of customs, duty of excise, value added tax; According to the information and explanations given to us, there is no undisputed amount payable in respect of such statutory dues, which were in arrears as at the last day of the financial year concerned for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, there are no dues of sales tax or service tax or duty of customs or duty of excise or value added tax have not

been deposited on account of any dispute. However, according to the information and explanations given to us the following dues of income tax has not been deposited by the Company on account of dispute :

Name of Statute	Nature of Dues	Amount (Rs.)	Period to which amount relates	Forum where the dispute is pending
Income Tax Act	Income Tax	1,10,500/- (net of payment)	Fin. Yr. 2010-11	CIT Appeals, Kolkata

- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, para 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, para 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, para 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, para 3(xv) of the Order is not applicable.
- (xvi) The Company is registered under section 45-IA of the Reserve Bank of India Act 1934.

**For P. K. SAH & ASSOCIATES**  
**Chartered Accountants**  
 Firm Registration No. 322271E

**(P. K. Sah, FCA)**  
**Partner**

**Place : Kolkata**  
**Date : 30<sup>th</sup> April, 2017**

**Membership No. 056216**

## **‘Annexure – B’ to the Independent Auditor’s Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (‘the Act’) – Referred to in Paragraph 2(f) under the heading ‘Report on Other Legal and Regulatory Requirements’ of our report of even date to the members of Ashika Credit Capital Limited**

We have audited the internal financial controls over financial reporting of **Ashika Credit Capital Limited** (‘the Company’) as of 31st March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the ‘Guidance Note’) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both

applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with



generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may

become inadequate because of changes in conditions, or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For P. K. SAH & ASSOCIATES**  
**Chartered Accountants**  
Firm Registration No. 322271E

**(P. K. Sah, FCA)**  
**Partner**

**Place : Kolkata**  
**Date : 30<sup>th</sup> April, 2017**

**Membership No. 056216**

## Balance Sheet as at 31st March, 2017

(Amount in ₹)

	Note	As at 31st March, 2017	As at 31st March, 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	69,964,955	69,964,955
Reserves and Surplus	3	164,697,236	145,871,349
		234,662,191	215,836,304
<b>Non- Current Liabilities</b>			
Long Term Provisions	4	82,890,262	82,144,241
<b>Current Liabilities</b>			
Short Term Borrowings	5	55,000,000	-
Trade Payables	6	188,820	668,027
Other Current Liabilities	7	1,980,868	3,658,177
Short Term Provisions	4	659,683	905,261
		57,829,370	5,231,465
<b>Total</b>		<b>375,381,823</b>	<b>303,212,010</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
- Tangible Assets	8	1,919,148	1,916,373
Non - Current Investments	9	1,879,598	2,347,598
Deferred Tax Assets (Net)	10	21,648,089	29,476,605
Long Term Loans & Advances	11	3,518,120	7,417,958
Other Non - Current Assets	12	-	12,300
		28,964,955	41,170,834
<b>Current Assets</b>			
Current Investments	13	-	88,168,038
Cash & Bank Balances	14	4,864,656	4,693,854
Short Term Loans & Advances	11	341,552,212	169,179,284
		346,416,868	262,041,176
<b>Total</b>		<b>375,381,823</b>	<b>303,212,010</b>
Significant Accounting Policies	1.1		

The accompanying notes 1 to 31 are an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of the Board

For **P. K. SAH & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 322271E

(P. K. Sah, FCA)  
Partner  
Membership No. 056216

Place: Kolkata  
Date: 30th April, 2017

**Pawan Jain**  
(Chairman)

**Daulat Jain**  
(Managing Director  
& Chief Executive Officer)

**Anju Mundhra**  
(Executive Director - Legal  
& Company Secretary)

**Amit Jain**  
(Chief Financial Officer)

**Statement of Profit & Loss** for the year ended 31st March, 2017

(Amount in ₹)

	Note	Year Ended 31st March, 2017	Year Ended 31st March, 2016
<b>INCOME</b>			
Revenue From Operations	15	36,492,905	21,399,044
Other Income	16	-	208,161
<b>Total Revenue</b>		<b>36,492,905</b>	<b>21,607,205</b>
<b>EXPENSES</b>			
Loss on Trading in Derivatives in Equity		10,996,913	-
Loss on Sale of Non Current Investments in GOI Stocks		68,000	-
Loss on Sale of Current Investments in Shares / Units Of Mutual Funds		7,105,768	-
Loss from Intraday Trading in Shares		-	531,681
Employee Benefit Expenses	17	14,276,890	8,306,188
Finance Costs	18	27,945	-
Depreciation Expenses	8	39,225	34,582
Other Expenses	19	3,039,950	3,255,796
Provisions	20	(28,923,738)	90,559,652
<b>Total Expenses</b>		<b>6,630,952</b>	<b>102,687,899</b>
<b>Profit / (Loss) Before Tax</b>		<b>29,861,953</b>	<b>(81,080,694)</b>
<b>Less : Tax Expenses</b>			
- Current Tax		2,757,161	1,850,251
- MAT Credit Entitlement		-	(1,571,563)
- Deferred Tax (Assets) / Liabilities		7,828,516	(21,525,092)
- Tax relating to earlier year		450,389	2,544
<b>Profit / (Loss) for the Year</b>		<b>18,825,887</b>	<b>(59,836,834)</b>
Earnings per Equity Share of Rs. 10/- each (Basic and Diluted)	21	<b>2.69</b>	<b>(8.55)</b>
Significant Accounting Policies	1.1		

The accompanying notes 1 to 28 are an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of the Board

For **P. K. SAH & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 322271E

(P. K. Sah, FCA)  
Partner  
Membership No. 056216

Place: Kolkata  
Date: 30th April, 2017

**Pawan Jain**  
(Chairman)

**Daulat Jain**  
(Managing Director  
& Chief Executive Officer)

**Anju Mundhra**  
(Executive Director - Legal  
& Company Secretary)

**Amit Jain**  
(Chief Financial Officer)

## Cash Flow Statement For the year ended on 31st March, 2017

(Amount in ₹)

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Profit Before Tax</b>	<b>29,861,953</b>	<b>(81,080,694)</b>
<i>Adjustments for :</i>		
Depreciation Expenses	39,225	34,582
Provision for Gratuity	722,690	230,203
Provision for Privilege Leave	32,230	51,069
Interest on NPA reversed	-	576,590
Provision for Non-Performing Assets	-	61,196,590
Contingent Provision against Standard Assets / (written back)	439,324	(58,361)
Provision against Current Investments / (reversed)	(29,363,062)	29,363,062
(Profit) / Loss on sale / redemption of Non- Current / Current Investments	7,173,768	(6,568,452)
Loss on transfer of Right to Property (Long Term Advances)	30,175	-
Dividnd Income	(76,044)	(135,000)
Finance Costs	27,945	-
<b>Operating Profit Before Working Capital Changes</b>	<b>8,888,203</b>	<b>3,609,589</b>
<i>Adjustments for :</i>		
Increase / (Decrease) in Trade Payables	(479,207)	543,007
Increase / (Decrease) in Other Current Liabilities	(1,677,309)	3,417,197
(Increase) / Decrease in Long Term Loans & Advances	3,869,663	(2,860,000)
(Increase) / Decrease in Short Term Loans & Advances	(175,672,327)	18,420,307
(Increase) / Decrease in Other Assets	12,300	576,590
<b>Cash Generated From Operations</b>	<b>(165,058,678)</b>	<b>23,706,690</b>
<i>Adjustments for :</i>		
Finance Costs	(27,945)	-
Direct Tax Paid	(601,952)	(1,158,994)
<b>Net Cash Generated from / (Used in) Operating Activities</b>	<b>(165,688,575)</b>	<b>22,547,696</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
<i>Add / (Less) :</i>		
Proceeds from Sale / Redemption of Non - Current Investments	400,000	221,986,998
Proceeds from Sale / Redemption of Curemt Investments	653,532,608	345,308,159
Purchase of Non - Current Investments	-	(187,561,275)
Purchase of Current Investments	(543,107,275)	(460,842,678)
Purchase of Fixed Assets	(42,000)	-
Dividend Income	76,044	135,000
<b>Net Cash Generated from / (Used in) Investing Activities</b>	<b>110,859,377</b>	<b>(80,973,796)</b>

**Cash Flow Statement** For the year ended on 31st March, 2017 (contd.)

(Amount in ₹)

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Add / (Less) :		
Increase / (Decrease) in Short term Borrowings	55,000,000	-
<b>Net Cash Generated from / (Used in) Financing Activities</b>	<b>55,000,000</b>	<b>-</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>170,802</b>	<b>(58,426,100)</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>4,693,854</b>	<b>63,119,954</b>
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>4,864,656</b>	<b>4,693,854</b>

Notes : Previous year's figures have been regrouped/rearranged wherever necessary to confirm to the current year's classification.

As per our report of even date attached

For **P. K. SAH & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 322271E

(**P. K. Sah**, FCA)  
Partner  
Membership No. 056216

Place: Kolkata  
Date: 30th April, 2017

For and on behalf of the Board

**Pawan Jain**  
(Chairman)

**Daulat Jain**  
(Managing Director  
& Chief Executive Officer)

**Anju Mundhra**  
(Executive Director - Legal  
& Company Secretary)

**Amit Jain**  
(Chief Financial Officer)

## NOTES TO FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2017

### 1. Company Information

Ashika Credit Capital Limited (the Company) is a public limited company domiciled in India and incorporated under the Companies Act, 1956. Its shares are listed on The Calcutta Stock Exchange Limited and MCX Stock Exchange Ltd and traded under "permitted securities" category at the nationwide platform of BSE Ltd. The Company is a RBI registered Non - Deposit taking Non Banking Financial Company, carrying on NBFI activities. It is mainly engaged in the business of financing, providing loans and advances, inter-corporate deposits and investment & trading in shares and securities.

#### 1.1 Significant Accounting Policies

##### (i) Basis of Accounting

- a) The financial statements have been prepared to comply in all material aspects with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the Act.
- b) The Company follows the directives prescribed by the Reserve Bank of India for Non Banking Financial Companies.
- c) The financial statements have been prepared under the historical cost convention on an accrual basis. However, income is not recognized and also provision is made in respect of non-performing assets as per the guidelines for prudential norms prescribed by the Reserve Bank of India. Except otherwise mentioned, the accounting policies applied by the Company are consistent with those used in the previous year.

##### (ii) Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the reported amounts of revenues and expense during the reported period. Although these estimates are based on the management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future period.

##### (iii) Revenue Recognition

- a) Revenue from trading in securities / intraday transactions is accounted for on trade date basis.
- b) Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

- c) Dividend income is recognized when the company's right to receive payment is established by the reporting date.
- d) All other Incomes are accounted for on accrual basis.

##### (iv) Fixed Assets

Tangible Fixed Assets are stated at cost, less accumulated depreciation and impairment loss thereon, if any. Cost comprises of purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

##### (v) Depreciation on Fixed Assets

Depreciation has been provided on the straight line method based on life assigned to each asset in accordance with Schedule II of the Companies Act, 2013.

##### (vi) Impairment of Fixed Assets

The carrying amounts of the assets are reviewed at each balance sheet date to ascertain if there is any indication of impairment based on external or internal factors. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount which is the greater of the assets' net selling price and value in use. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period, if any, is reversed if there has been a change in the estimate of the recoverable amount.

##### (vii) Investments

Non-Current investments, those are intended to be held for a period of more than a year are considered at 'cost' on individual investment basis, unless there is a decline in the value other than temporary, in which case adequate provision is made against the diminution in the value of such investments.

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments. Current investments are carried at lower of cost and market price determined category-wise.

##### (viii) Derivative Instruments

In accordance with the ICAI announcements, derivative contracts (other than foreign currency forward contracts covered under AS 11) is done based on the 'marked to market' principle, on a portfolio basis, and the net loss, if any, after considering the offsetting effect of underlying hedged items, is charged to the statement of profit and loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored as a matter of prudence.

**(ix) Earnings per Share**

Basic Earnings per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted Earnings per Share is calculated by adjustment of all the effects of dilutive potential equity shares from the net profit or loss for the period attributed to equity shareholders and the weighted average numbers of shares outstanding during the period.

**(x) Taxation**

Tax expenses comprises of current tax (net of Minimum Alternate Tax credit entitlement) and deferred tax.

Current tax is determined as the amount of tax payable in respect of taxable income for the period under the provisions of the Income Tax Act 1961.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversible in one or more subsequent periods. Deferred tax assets are recognized and carried forward only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset item will be realized. If the company has carry forward unabsorbed depreciation and tax losses, deferred tax assets are recognized only to the extent there is virtual certainty supported by convincing evidence that sufficient taxable income will be available against which such deferred tax assets can be realized.

**(xi) Retirement Benefits:**

- a) Employment benefits in the form of Provident Fund and Employee State Insurance are defined

contribution plans and the Company's contribution, paid or payable during the reported period, are charged to the statement of profit and loss.

- b) Gratuity liability is a defined benefit plan and is provided for on the basis of actuarial valuation on projected units credit method at the Balance Sheet date.
- c) Long Term compensated leave are provided for based on actuarial valuation as per projected unit credit method at the Balance Sheet date.
- d) Actuarial gain / losses are charged to the statement of profit and loss and are not deferred.

**(xii) Segment Reporting**

Based on the risks and returns associated with business operations and in terms of Accounting Standard-17 (Segment Reporting), the Company is predominantly engaged in a single reportable segment of 'Financial Services'.

**(xiii) Provisions, Contingent Liabilities & Contingent Assets**

A provision is recognized when the company has present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized but are disclosed in the notes to the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

## Notes to the Financial Statement as at and for the year ended on 31st March, 2017

### NOTE - 2 : SHARE CAPITAL

(Amount in ₹)

	As at 31st March, 2017	As at 31st March, 2016
<b>Authorised</b>		
20,250,000 Equity Shares of Rs.10/- each	202,500,000	202,500,000
<b>Issued &amp; Subscribed</b>		
7,001,000 Equity Shares of Rs.10/- each	70,010,000	70,010,000
<b>Fully Paid Up</b>		
6,994,826 Equity Shares of Rs.10/- each	69,948,260	69,948,260
Add : 6,174 Forfeited Equity Shares	16,695	16,695
	<b>69,964,955</b>	<b>69,964,955</b>

#### a) Reconciliation of Equity Shares outstanding

Equity Shares	As at 31st March, 2017		As at 31st March, 2016	
	Nos.	Rs.	Nos.	Rs.
At the beginning of the year	6,994,826	69,948,260	6,994,826	69,948,260
Add : Issued during the year	-	-	-	-
<b>At the end of the year</b>	<b>6,994,826</b>	<b>69,948,260</b>	<b>6,994,826</b>	<b>69,948,260</b>

#### b) Terms / rights attached to Equity Shares

The Company has only one class of equity shares having par value of Rs.10/- per share. All these shares have the same right with respect to payment of dividend, repayment of capital and voting. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the number of equity shares held by them.

#### c) Details of shareholders holding more than 5% shares in the Company

Name of the Shareholder	As at 31st March, 2017		As at 31st March, 2016	
	Nos.	% holding in the class	Nos.	% holding in the class
<b>Equity Shares of Rs.10/- each fully paid up</b>				
Pawan Jain (HUF)	789,000	11.28	789,000	11.28
Ashika Hedge Fund Pvt. Ltd.	566,900	8.10	566,900	8.10
Ashika Share Trading Pvt. Ltd.	500,000	7.15	500,000	7.15

**Notes to the Financial Statement** as at and for the year ended on 31st March, 2017

**NOTE - 3 : RESERVES AND SURPLUS**

(Amount in ₹)

		As at 31st March, 2017	As at 31st March, 2016
<b>Securities Premium Account</b>			
Balance as per last financial statements	(A)	209,187,000	209,187,000
<b>Statutory Reserves U/s 45IC of the RBI Act, 1934</b>			
Balance as per last financial statements		9,127,598	9,127,598
Add : Transferred from surplus in the Statement of Profit and Loss		3,765,177	-
	(B)	12,892,775	9,127,598
<b>Surplus / (Deficit) in the Statement of Profit and Loss</b>			
Balance as per last financial statements		(72,443,249)	(12,606,415)
Add : Profit / (Loss) for the year		18,825,887	(59,836,834)
Less : Transfer to Statutory Reserves U/s 45IC		3,765,177	-
	(C)	(57,382,539)	(72,443,249)
	<b>(A+B+C)</b>	<b>164,697,236</b>	<b>145,871,349</b>

**NOTE - 4 : PROVISIONS**

(Amount in ₹)

	Long - Term		Short - Term	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
<b>Provision for Employees Benefits</b>				
Gratuity	1,413,539	697,959	44,480	37,370
Privilege Leave	126,723	96,282	5,765	3,976
	(A)	794,241	50,245	41,346
<b>Others</b>				
Provision for Income Tax	-	-	-	693,801
Provision for Non Performing Assets	81,350,000	81,350,000	-	-
Contingent Provision against Standard Assets	-	-	609,438	170,114
	(B)	81,350,000	609,438	863,915
	<b>(A+B)</b>	<b>82,890,262</b>	<b>659,683</b>	<b>905,261</b>

**Nature of certain provisions and their movement**

Provision for non-performing assets (NPAs) is made in the financial statements according to the Prudential Norms prescribed by RBI for NBFCs. The Company creates a general provision at 0.25% of the standard assets outstanding on the balance sheet date, as per the RBI Prudential Norms.

The following table sets forth the movement of aforesaid Provisions

(Amount in ₹)

Particulars	Provisions for NPAs		Contingent Provision against Standard Assets	
	Year ended		Year ended	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
Opening Balance	81,350,000	20,153,410	170,114	228,475
Provisions/(Reversals) during the year	-	61,196,590	439,324	(58,361)
<b>Closing Balance</b>	<b>81,350,000</b>	<b>81,350,000</b>	<b>609,438</b>	<b>170,114</b>

## Notes to the Financial Statement as at and for the year ended on 31st March, 2017

### NOTE - 5 : SHORT TERM BORROWINGS

(Amount in ₹)

	As at 31st March, 2017	As at 31st March, 2016
Unsecured Loans		
- From Related Parties	55,000,000	-
	<b>55,000,000</b>	

### NOTE - 6 : TRADE PAYABLES

(Amount in ₹)

	As at 31st March, 2017	As at 31st March, 2016
- Due to Micro Enterprises & Small Enterprises *	-	-
- Due to Others		
- Due to Related Party	-	288,584
- Due to Others	188,820	379,443
	<b>188,820</b>	<b>668,027</b>

\* Based on the information/ documents available with the Company, no creditor is covered under Micro, Small and Medium Enterprise Development Act, 2006. As a result, no interest provisions/ payments have been made by the Company to such creditors and no disclosures thereof are made in these financial statements.

### NOTE - 7 : OTHER CURRENT LIABILITIES

(Amount in ₹)

	As at 31st March, 2017	As at 31st March, 2016
Interest Accrued on Short Term Borrowings	25,150	-
Mark to Mark Margin on Derivatives Contracts	-	2,293,838
Statutory Dues	627,934	452,686
Payable to Employees	1,324,239	908,108
Other Liabilities	3,545	3,545
	<b>1,980,868</b>	<b>3,658,177</b>

### NOTE - 9 : NON - CURRENT INVESTMENTS

(Amount in ₹)

	As at 31st March, 2017	As at 31st March, 2016
<b>Other Investments - At Cost</b>		
<b>Investments in Equity Instruments</b>		
<b>Shares at Rs. 10/- each fully paid up (Quoted)</b>		
62,610 (P.Y. 62,610) Shishir Exports Pvt. Ltd.	1,878,300	1,878,300
1,298 (P.Y. 1,298) Maniratnam Flat Owners Association	1,298	1,298
	<b>(A) 1,878,598</b>	<b>1,879,598</b>
<b>Investment in Government Securities (Unquoted)</b>		
12.3% Government of India Stocks (Face Value Rs. 4,00,000/-)	<b>(B) -</b>	<b>468,000</b>
<b>Aggregate amount unquoted non-current investment - At Cost</b>	<b>(A+B) 1,879,598</b>	<b>2,347,598</b>

**Notes to the Financial Statement** as at and for the year ended on 31st March, 2017

**NOTE - 8 : FIXED ASSETS** (Amount in ₹)

Particulars	Gross Block (at cost)			Depreciation			Net Block	
	As at 1st April, 2016	Additions/ Adjustments	Withdrawals/ Adjustments	As at 1st April, 2017	For the Year	Deduction/ Adjustments	As at 31st March, 2017	As at 31st March, 2016
<b>TANGIBLE ASSETS</b>								
<b>Buildings</b>	2,188,504	-	-	2,188,504	34,488	-	1,832,895	1,867,383
Plant & Equipments	979,795	42,000	-	1,021,795	4,737	-	86,253	48,990
Computers & Printers	<b>3,168,299</b>	<b>42,000</b>	-	<b>3,210,299</b>	<b>39,225</b>	-	<b>1,919,148</b>	<b>1,916,373</b>
<b>Total</b>	3,168,299	-	-	3,168,299	34,582	-	1,916,373	1,950,955

Notes : (i) Buildings includes premises having gross value of Rs. 1,562,394/- (P.Y. Rs. 1,562,394/-) and net value of Rs. 1,351,133/- (P.Y. 1,375,782/-) for which registration is pending.

(ii) None of the Company's fixed assets are considered impaired as on the balance sheet date.

## Notes to the Financial Statement as at and for the year ended on 31st March, 2017

### NOTE - 10 : DEFERRED TAX ASSETS (NET)

(Amount in ₹)

	As at 31st March, 2017	As at 31st March, 2016
<b>Deferred Tax Assets</b>		
Provision of Gratuity	375,440	221,260
Provision for Privilege Leave	34,116	30,168
Provision against Current Investments	-	4,536,593
Income derecognised on Non-performing Assets	148,472	173,496
Contingent Provision against Standard Assets	156,930	51,187
Provisions for Non-Performing Assets	20,947,625	24,478,215
<b>(A)</b>	<b>21,662,583</b>	<b>29,490,919</b>
<b>Deferred Tax Liabilities</b>		
Difference between tax depreciation and book depreciation on fixed assets	14,494	14,314
<b>(B)</b>	<b>14,494</b>	<b>14,314</b>
<b>Deferred Tax Assets (Net)</b>	<b>(A-B)</b>	<b>21,648,089</b>
	<b>21,648,089</b>	<b>29,476,605</b>

### NOTE - 11 : LOANS & ADVANCES

(Amount in ₹)

	Long - Term		Short - Term	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
<b>Considered good, unless otherwise stated</b>				
<b>Capital Advances, Unsecured</b>	3,392,677	7,292,515	-	-
<b>Security Deposits, Unsecured</b>	125,443	125,443	-	-
<b>Loans</b>				
- Secured	-	-	157,971,165	22,770,516
- Unsecured	-	-	170,303,955	129,775,178
<b>Other Loans &amp; Advances, Unsecured</b>				
Balance with Government Authorities				
- Income Tax Payment (net of provisions)	-	-	11,776,123	12,402,628
MAT Credit Entitlement	-	-	1,461,568	4,134,462
Prepaid Expenses	-	-	24,687	11,147
Advances to Employees	-	-	9,288	-
Other Advances	-	-	5,427	85,353
	<b>3,518,120</b>	<b>7,417,958</b>	<b>341,552,212</b>	<b>169,179,284</b>

Note : (a) Secured Loans are secured by pledge of equity shares of the borrowers.

(b) Unsecured Loans includes Non - Performing Assets of Rs. 84,500,000/- (Previous year - Rs. 84,500,000/-).

**Notes to the Financial Statement** as at and for the year ended on 31st March, 2017

**NOTE - 12 : OTHER NON CURRENT ASSETS**

(Amount in ₹)

	As at 31st March, 2017	As at 31st March, 2016
<b>Unsecured, considered good</b>		
Interest Accrued but not due :		
On Govt. Securities	-	12,300

**NOTE - 13 : CURRENT INVESTMENTS**

(Amount in ₹)

	As at 31st March, 2017	As at 31st March, 2016
<b>Investments in Equity Instruments</b>		
<b>Shares at Rs. 10/- each fully paid up (Quoted)</b>		
Nil (P.Y. 25,000) Orchid Pharma Limited	-	1,599,673
Nil (P.Y. 950) Lux Industries Limited	-	3,419,242
Nil (P.Y. 20,000) Stel Holding Ltd.	-	749,229
Nil (P.Y. 2,000) Balmer Lawrie & Co. Ltd.	-	1,177,683
Nil (P.Y. 5,000) Prabhat Dairy Ltd.	-	808,699
Nil (P.Y. 75,000) Adani Transmission Ltd.	-	2,979,539
Nil (P.Y. 45,000) Sangam (India) Ltd.	-	13,146,892
Nil (P.Y. 5,100) Gayatri Projects Ltd.	-	3,766,166
Nil (P.Y. 1,000,000) MEP Infrastructure Developers Ltd.	-	56,812,887
<b>Shares at Rs. 5/- each fully paid up (Quoted)</b>		
Nil (P.Y. 5,65,000) Parsvnath Developers Ltd.	-	11,992,122
<b>Shares at Rs. 2/- each fully paid up (Quoted)</b>		
Nil (P.Y. 1,938) Somany Ceramics Ltd.	-	782,836
<b>Shares at Rs. 1/- each fully paid up (Quoted)</b>		
Nil (P.Y. 300,000) GVK Power & Infrastructure Ltd.	-	2,704,622
Nil (P.Y. 25,000) B.L.Kashyap and Sons Ltd.	-	435,894
Nil (P.Y. 700,000) Hindustan Construction Co. Ltd.	-	17,155,614
	-	117,531,100
Less : Aggregate provision for diminution in value of current investments	-	29,363,062
	-	<b>88,168,038</b>
Aggregate Amount of Quoted Current Investments - At Cost	-	117,531,100
- At Market value	-	88,168,038

**NOTE - 14 : CASH & BANK BALANCES**

(Amount in ₹)

	As at 31st March, 2017	As at 31st March, 2016
<b>Cash and Cash Equivalents</b>		
Balances with Banks in Current Accounts	4,455,288	4,560,768
Cash in hand	409,368	133,086
	<b>4,864,656</b>	<b>4,693,854</b>

## Notes to the Financial Statement as at and for the year ended on 31st March, 2016

### NOTE - 15 : REVENUE FROM OPERATIONS

(Amount in ₹)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Advisory Service Fees	20,524,000	-
Interest Income		
- On Loans Granted	15,849,252	14,454,827
- On Investment in Govt. Securities	12,300	49,200
Income from Other Financial Services		
- Profit on Sale / Redemption - Non - Current Investments	-	4,571,871
- Profit on Sale - Current Investments	-	1,996,581
- Profit on Trading in Equity Derivatives	-	191,565
- Dividend on Shares	76,044	135,000
- Other Receipts	31,309	-
	<b>36,492,905</b>	<b>21,399,044</b>

### NOTE - 16 : OTHER INCOME

(Amount in ₹)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Contingent Provision against Standard Assets written back	-	58,361
Other Non - Operating Income	-	149,800
	-	<b>208,161</b>

### NOTE - 17 : EMPLOYEE BENEFIT EXPENSES

(Amount in ₹)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Salary & Other Allowances	10,985,608	6,773,946
Bonus	892,350	742,825
Contribution to Provident Fund / ESI	738,139	445,421
Gratuity	722,690	230,203
Privilege Leave	32,230	51,069
Staff Welfare Expenses	905,873	62,724
	<b>14,276,890</b>	<b>8,306,188</b>

### NOTE - 18 : FINANCE COSTS

(Amount in ₹)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Interest on Short Term Borrowings	27,945	-

**Notes to the Financial Statement** as at and for the year ended on 31st March, 2017

**NOTE - 19 : OTHER EXPENSES**

(Amount in ₹)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Rent & Maintenance	203,410	74,924
Electricity Charges	9,348	13,918
Rates & Taxes	25,746	26,116
Advertisement	171,865	152,647
Travelling & Conveyance	977,535	1,071,645
Postage & Courier	42,658	37,459
Telephone / Mobile Expenses	39,811	28,007
Printing & Stationary	170,986	118,655
Professional Fees	380,411	464,168
Fees & Subscriptions	167,473	189,621
Interest on NPA Reversed	-	576,590
Directors' Sitting Fees	186,535	117,000
Auditors' Remuneration (see note - 22)	149,020	167,053
Business Promotion Expenses	365,414	117,342
Loss on Transfer of Right to Property	30,175	-
Miscellaneous Expenses	119,563	100,651
	<b>3,039,950</b>	<b>3,255,796</b>

**NOTE - 20 : PROVISIONS**

(Amount in ₹)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Contingent Provision Against Standard Assets	439,324	-
Provision for Non-Performing Assets (net)	-	61,196,590
Provision against Current Investments / (reversed)	(29,363,062)	29,363,062
	<b>(28,923,738)</b>	<b>90,559,652</b>

**NOTE - 21 : EARNINGS PER SHARE (EPS)**

(Amount in ₹)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Profit / (Loss) after Tax (Rs.)	18,825,887	(59,836,834)
Weighted average number of Equity Shares (Nos.)	6,994,826	6,994,826
Nominal value of Equity Shares (Rs.)	10	10
<b>Basic and Diluted Earnings per Share (Rs.)</b>	<b>2.69</b>	<b>(8.55)</b>

Note: Earnings per share are done in accordance with the Accounting Standard (AS) - 20 issued by ICAI

**NOTE - 22 : AUDITORS' REMUNERATION**

(Amount in ₹)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Statutory Audit	92,000	91,600
Tax Audit	23,000	22,900
Other Services	34,200	52,553
	<b>149,020</b>	<b>167,053</b>

## Notes to the Financial Statement as at and for the year ended on 31st March, 2017

### 23. CONTINGENT LIABILITIES :

Income Tax dispute under Appeal (net of payment) - Rs. 110,500/- (P.Y. 314,820/-)

### 24. DETAILS OF OUTSTANDING DERIVATIVE CONTRACTS :

(Amount in ₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Outstanding Derivatives Contracts : Contract Value	—	2,293,838

### 25. EMPLOYEE BENEFITS:

#### (a) Defined Contribution Plan

(Amount in ₹)

Particulars	For the Year Ended 31st March, 2017	For the Year Ended 31st March, 2016
Contribution to Provident Fund	721,862	428,849
Contribution to Employee State Insurance	16,277	16,572
<b>Total</b>	<b>738,139</b>	<b>445,421</b>

#### (b) Defined Benefit Plan

The Company has provided for gratuity & privilege leave benefits liability based on actuarial valuation done as per the projected unit credit method. The scheme is unfunded.

The following tables summarize the components of net benefit expenses recognized in the Statement of Profit and Loss and amounts recognized in the balance sheet for the respective plan.

(Amount in ₹)

	Particulars	Gratuity		Privilege Leave	
		As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
(i)	<b>(i) Reconciliation of Opening and Closing balances of Present Value of Obligation:</b>				
	Present Value of Obligation at the Beginning	735,329	505,126	100,258	49,189
	Current service cost	230,160	124,149	11,107	35,696
	Interest Cost	82,251	49,754	8,728	5,994
	Benefits paid	-	-	-	-
	Actuarial (gains)/losses on obligation	410,279	56,300	12,395	9,379
	<b>Present Value of Obligation at the End</b>	<b>1,458,019</b>	<b>735,329</b>	<b>132,488</b>	<b>100,258</b>
(ii)	<b>Net Liability recognized in the Balance Sheet :</b>				
	Present Value of Obligation	1,458,019	735,329	132,488	100,258
	Fair value of Plan Assets	-	-	-	-
	<b>Net Liability - Non Current</b>	<b>1,413,539</b>	<b>697,959</b>	<b>126,723</b>	<b>96,282</b>
	<b>- Current</b>	<b>44,480</b>	<b>37,370</b>	<b>5,765</b>	<b>3,976</b>

**Notes to the Financial Statement** as at and for the year ended on 31st March, 2017

(Amount in ₹)

	Particulars	Gratuity			Privilege Leave					
		As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016					
(iii)	<b>Expenses recognized in the Statement of Profit and Loss :</b>									
	Current service cost	230,160	124,149	11,107	35,696					
	Interest cost	82,251	49,754	8,728	5,994					
	Expected return on plan assets	-	-	-	-					
	Net Actuarial (gain) /loss recognized in the year	410,279	56,300	12,395	9,379					
	<b>Net benefit expenses</b>	<b>722,690</b>	<b>230,203</b>	<b>32,230</b>	<b>51,069</b>					
(iv)	The Principal actuarial assumptions are as follows:									
	Particulars	As at 31st March, 2017			As at 31st March, 2016					
	Discount rate (per annum)	7.50%			8.00%					
	Salary growth rate (per annum)	6.00%			6.00%					
	Withdrawal rates based on age (per annum)	Varying between 8% and 1% per annum depending upon the duration and age of the employees.								
	Mortality	Indian Assured Lives Mortality (2006-2008) ultimate			Indian Assured Lives Mortality (2006-2008) ultimate					
(v)	Other Disclosures :									
	Particulars	Gratuity					Privilege Leave			
		2016-17	2015-16	2014-15	2013-14	2012-13	2016-17	2015-16	2014-15	2013-14
	Present Value of Obligation at the End	1,458,019	735,329	505,126	102,001	223,343	1,32,488	100,258	49,189	23,787
	Fair Value of Plan Assets	-	-	-	-	-	-	-	-	-
	Net assets (liability) (recognised in balance sheet)	(1,458,019)	(735,329)	(505,126)	(102,001)	(223,343)	(132,488)	(100,258)	(49,189)	(23,787)
	Experience adjustments on plan liabilities Gain /(Loss)	(66,176)	(33,715)	(12,108)	184,301	39,465	(6,592)	(9,216)	1,193	(8,111)
	Experience adjustments on plan assets Gain / (Loss)	-	-	-	-	-	-	-	-	-

**26. Related Parties Disclosures**

Related parties disclosures, as stipulated by Accounting Standard - 18 'Related Party Disclosures', issued by ICAI, are given below:

## a) List of Related Parties:

 i) **Key Management Personnel:**

- Pawan Jain – Executive Chairman and appointed as Whole time Director w.e.f. 01.11.2016  
(Resigned as Managing Director and Chief Executive Officer w.e.f. 01.11.2016)
- Daulat Jain – Managing Director & Chief Executive Officer (w.e.f. 01.11.2016)
- Anju Mundhra – Executive Director - Legal & Company Secretary
- Amit Jain – Chief Financial Officer

 ii) **Enterprises in which Key Management Personnel & their Relatives having Significant Influence:**

- Ashika Stock Broking Ltd.
- Ashika Global Securities Pvt. Ltd.
- Ashika Business Pvt. Ltd.
- Ashika Capital Ltd.
- Puja Sales Promotion Pvt. Ltd.
- Shishir Exports Pvt. Ltd.

## Notes to the Financial Statement as at and for the year ended on 31st March, 2017

### b) Transactions with Related Parties:

Aggregate Related Party Transactions as at and for the year ended on 31st March, 2017 (Transactions have been taken place on arm's length basis.) (Amount in ₹)

Particulars	Key Management Personnel		Enterprises in which Key Management Personnel & their Relatives having significant influence		Total	
	Transaction Value	Balance Outstanding as on 31.03.2017	Transaction Value	Balance Outstanding as on 31.03.2017	Transaction Value	Balance Outstanding as on 31.03.2017
<b>Investment in Shares</b>						
Shishir Exports Pvt. Ltd.	-	-	(1,878,300)	(1,878,300)	(1,878,300)	(1,878,300)
<b>Loans Granted</b>						
Ashika Business Pvt. Ltd.	-	-	40,000,000	-	40,000,000	-
	(-)	(-)	(-)	(-)	(-)	(-)
Ashika Capital Ltd.	-	-	-	-	-	-
	(-)	(-)	(10,000,000)	(-)	(10,000,000)	(-)
Shishir Exports Pvt. Ltd.	-	-	-	-	-	-
	(-)	(-)	(5,000,000)	(-)	(5,000,000)	(-)
<b>Margin Money Paid</b>						
Ashika Stock Broking Ltd	-	-	64,300,000	-	64,300,000	-
	(-)	(-)	(88,100,000)	(-)	(88,100,000)	(-)
<b>Security Deposits Paid</b>						
Puja Sales Promotion Pvt. Ltd.	-	-	-	60,000	-	60,000
	(-)	(-)	(60,000)	(60,000)	(60,000)	(60,000)
<b>Loans Taken</b>						
Ashika Global Securities Pvt. Ltd.	-	-	55,000,000	55,000,000	55,000,000	55,000,000
	(-)	(-)	(-)	(-)	(-)	(-)
<b>Trade Payable</b>						
Ashika Stock Broking Ltd	-	-	-	-	-	-
	(-)	(-)	(-)	(288,584)	(-)	(288,584)
<b>Interest on Loans Received</b>						
Ashika Business Pvt. Ltd.	-	-	1,229,085	-	1,229,085	-
	(-)	(-)	(-)	(-)	(-)	(-)
Ashika Capital Ltd.	-	-	-	-	-	-
	(-)	(-)	(648,767)	(-)	(648,767)	(-)
Shishir Exports Pvt. Ltd.	-	-	-	-	-	-
	(-)	(-)	(220,274)	(-)	(220,274)	(-)
<b>Interest on Loans Paid</b>						
Ashika Global Securities Ltd.	-	-	27,945	25,150	27,945	25,150
	(-)	(-)	(-)	(-)	(-)	(-)
<b>Brokerage Paid</b>						
Ashika Stock Broking Ltd.	-	-	3,045,570	-	3,045,570	-
	(-)	(-)	(721,488)	(-)	(721,488)	(-)
<b>Rent Paid</b>						
Puja Sales Promotion Pvt. Ltd.	-	-	120,000	-	120,000	-
	(-)	(-)	(50,000)	(-)	(50,000)	(-)

**Notes to the Financial Statement** as at and for the year ended on 31st March, 2017

(Amount in ₹)

Particulars	Key Management Personnel		Enterprises in which Key Management Personnel & their Relatives having significant influence		Total	
	Transaction Value	Balance Outstanding as on 31.03.2017	Transaction Value	Balance Outstanding as on 31.03.2017	Transaction Value	Balance Outstanding as on 31.03.2017
<b>Salary, Bonus &amp; Other Allowances</b> (incl. Employer's Cont. to P.F. and Perquisites, if any)						
Pawan Jain	8,064,627	178,796	-	-	8,064,627	178,796
	(4,972,182)	(307,430)	(-)	(-)	(4,972,182)	(307,430)
Daulat Jain	502,190	68,862	-	-	502,190	68,862
	(-)	(-)	(-)	(-)	(-)	(-)
Amit Jain	2,421,788	229,459	-	-	2,421,788	229,459
	(854,080)	(56,960)	(-)	(-)	(854,080)	(56,960)
Anju Mundhra	1,082,284	137,147	-	-	1,082,284	137,147
	(1,024,496)	(139,842)	(-)	(-)	(1,024,496)	(139,842)
<b>Demat Charges Paid</b>						
Ashika Stock Broking Ltd.	-	-	8,359	-	8,359	-
	(-)	(-)	(1,814)	(-)	(1,814)	(-)

27. Foreign Currency Transactions : Nil (P.Y. Nil)

28. As required by the Schedule – III of the Act (as amended), the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 is provided below :

Particulars	Specified Bank Notes	Other Denomination	Total Notes
Closing cash in Hand as on 08-11-2016	—	119,671	119,671
(+) Permitted Receipts	—	100,000	100,000
(-) Permitted Payments	—	43,088	43,088
(-) Amount Deposited in Banks	—	—	—
Closing Cash in Hand as on 30-12-2016	—	176,583	176,583

29. Balances with Parties to whom Loans granted are subject to confirmation from the respective parties.

30. Schedule in terms of Paragraph 13 of Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 is annexed hereto separately.

31. Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification / disclosure.

**SIGNATURE TO NOTES 1 TO 31**

As per our report of even date attached

For and on behalf of the Board

 For **P. K. SAH & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 322271E

**(P. K. Sah, FCA)**  
Partner  
Membership No. 056216

 Place: Kolkata  
Date: 30th April, 2017

**Pawan Jain**  
(Chairman)

**Daulat Jain**  
(Managing Director  
& Chief Executive Officer)

**Anju Mundhra**  
(Executive Director - Legal  
& Company Secretary)

**Amit Jain**  
(Chief Financial Officer)

## Schedule to the Balance Sheet of Non-Deposit Taking Non-Banking Financial Company

(as required in terms of paragraph 13 of Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015)

(₹ in Lakhs)

Particulars	Amount outstanding	Amount overdue
<b>Liabilities Side :</b>		
(1) Loans and advances availed by the non-banking financial company inclusive of Interest accrued thereon but not paid :		
(a) Debentures : Secured	-	-
Unsecured	-	-
(other than falling within the meaning of public deposits)	-	-
(b) Deferred Credits	-	-
(c) Term Loans	-	-
(d) Inter-corporate loans and borrowing	550	-
(e) Commercial Paper	-	-
(f) Other Loans (specify nature)	-	-
<b>Particulars</b>		
		<b>Amount Outstanding</b>
<b>Assets Side :</b>		
(2) Break-up of Loans and Advance including bills receivables [other than those included in (4) below]		
(a) Secured		1,580
(b) Unsecured		1,703
(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
(i) Lease assets including lease rentals under sundry debtors:		
(a) Financial Lease		-
(b) Operating Lease		-
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire		-
(b) Repossessed Assets		-
(iii) Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed		-
(b) Loans other than (a) above		-
(4) Break-up of Investments		
<b>Current Investments</b>		
<b>1. Quoted :</b>		
(i) Shares : (a) Equity		-
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of Mutual Funds		-
(iv) Government Securities		-
(v) Others (Please Specify)		-
<b>2. Unquoted :</b>		
(i) Shares : (a) Equity		-
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of Mutual Funds		-
(iv) Government Securities		-
(v) Others (please specify)-		-

(₹ in Lakhs)

Particulars		Amount overdue
<b>Long Term Investments :</b>		
<b>1. Quoted :</b>		
(i) Shares : (a) Equity		-
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of Mutual Funds		-
(iv) Government Securities		-
(v) Others (please specify)		-
<b>2. Unquoted :</b>		
(i) Shares : (a) Equity		19
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of Mutual Funds		-
(iv) Government Securities		-
(v) Others (please specify)		-

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

Category	Amount Net of Provisions		
	Secured	Unsecured	Total
<b>1. Related Parties</b>			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
<b>2. Other than related parties</b>	1,580	1,703	3,283
<b>Total</b>	<b>1,580</b>	<b>1,703</b>	<b>3,283</b>

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

Category	Market Value / Break up or fair Value or NAV	Book Value (Net of Provisions)
<b>1. Related Parties</b>		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	19	19
<b>2. Other than related parties</b>	-	-
<b>Total</b>	<b>19</b>	<b>19</b>

**(7) Other Information**

Particulars	Amount
<b>(i) Gross Non-Performing Assets</b>	
(a) Related Parties	-
(b) Other than related parties	845
<b>(ii) Net Non-Performing Assets</b>	
(a) Related Parties	-
(b) Other than related parties	31
<b>(iii) Assets acquired in satisfaction of debt</b>	-

For and on behalf of the Board

**Pawan Jain**  
(Executive Chairman)

**Daulat Jain**  
(Managing Director  
& Chief Executive Officer)

**Anju Mundhra**  
(Executive Director - Legal & Company Secretary)

**Amit Jain**  
(Chief Financial Officer)

Place: Kolkata  
Date: 30th April, 2017

**STATUTORY AUDITORS****P. K. Sah & Associates**

Chartered Accountants  
58/D, Netaji Subhash Road,  
3<sup>rd</sup> Floor, Room No.316,  
Kolkata – 700 001

**INTERNAL AUDITOR****Shyamsukha Amit & Associates**

Chartered Accountants  
19, Ganesh Chandra Avenue,  
Premier House, 2<sup>nd</sup> Floor, Suit no 7  
Kolkata – 700013

**SECRETARIAL AUDITOR****M R & Associates**

Company Secretaries  
46, B. B. Ganguly Street,  
Kolkata- 700012

**REGISTRAR & SHARE TRANSFER AGENT****Maheshwari Datamatics Pvt. Ltd.**

23, R. N. Mukherjee Road,  
5<sup>th</sup> Floor, Kolkata 700 001  
Tel : (033) 2248 2248, 2243 5809 / 5029  
Fax : (033) 2248 4787  
E-mail : mdpldc@yahoo.com

**AUDIT COMMITTEE**

**Mr. Sagar Jain, Chairman**  
**Mr Kashi Prasad Khandelwal**  
**Mr. R.S. Agarwal**  
**Mr. K.K. Saraf**

**NOMINATION & REMUNERATION COMMITTEE**

**Mr. Kashi Prasad Khandelwal, Chairman**  
**Mr K.K. Saraf**  
**Mr Sagar Jain**  
**Mr. R.S Agarwal**

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

**Mr. R.S Agarwal, Chairman**  
**Mr K.K. Saraf**  
**Mr. Kashi Prasad Khandelwal**

# Forward looking **Statements**

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any

discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



## **Ashika Credit Capital Limited**

Trinity, 226/1, AJC Bose Road, 7th floor, Kolkata - 700 020

Phone: (033) 22839952 / 40102500, Fax: (033) 40102543

E-mail: [secretarial@ashikagroup.com](mailto:secretarial@ashikagroup.com)

Website: [www.ashikagroup.com](http://www.ashikagroup.com)