

22nd April 2019

<b>To:</b> The Listing Department The Calcutta Stock Exchange Limited, 7, Lyons Range, Kolkata-700 001 Scrip Code: 11591& 10011591	<b>General Manager</b> Department of Corporate Service Bombay Stock Exchange Ltd Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400001 Scrip Code: 590122	<b>Head- Listing &amp; Compliance</b> Metropolitan Stock Exchange of India Limited (MSEI) Vibgyor Towers, 4th Floor, Plot No. C-62, Opp. Trident Hotel Bandra Kurla Complex, Bandra Kurla (E), Mumbai- 400098 Symbol Name: ASHIKA
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Respected Sir,

**Sub: Outcome of the Board meeting and disclosure under regulation 30 of SEBI (LODR) Regulations 2015**

With reference to our letter dated 12<sup>th</sup> April 2019, this is to inform you that Board of Directors of the Company at their adjourned meeting held today, the 22nd April 2019, has inter alia considered and taken on record the following:

- 1) Approved the Annual Audited Financial Results (Standalone) of the company for the quarter and year ended 31<sup>st</sup> March 2019 along with Statement of Assets & Liabilities for the period ended on 31<sup>st</sup> March 2019 pursuant to Regulation 33 of SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015 on recommendation of Audit committee.

A copy of the Audited Financial Results of the company along with Auditors Report issued by Statutory Auditor of the company and Statement on impact of Audit Qualification, in the prescribed format in Annexure-I for the quarter/year ended 31st March 2019, duly approved by the Board of Directors in conformity with the Listing Regulations are enclosed.

We are arranging to publish these results in the Newspapers as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

- 2) Recommendation of dividend of Re 1 per Equity shares of the company, for the Financial Year ended 31<sup>st</sup> March 2019, subject to approval of the members at the forthcoming Annual General meeting of the company.

The meeting of Board of Directors commenced at 11.30 AM and concluded at 4.45 PM.

This is for your kind information and record.

Thanking you

 Yours truly,  
 For Ashika Credit Capital Limited


 (Anju Mundhra)  
 Company Secretary  
 F6686


Encl: As Above



**ASHIKA CREDIT CAPITAL LIMITED**

CIN:L67120WB1994PLC062159

Regd. Office : Trinity, 226/1, A.J.C. Bose Road, 7th Floor, Kolkata-700 020

Tel no: (033) 40102500, Fax no: (033) 40102543

Email: [secretarial@ashikagroup.com](mailto:secretarial@ashikagroup.com), website: [www.ashikagroup.com](http://www.ashikagroup.com)

**STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31<sup>st</sup> MARCH, 2019**

(Rs. in Lakhs)

Particulars	Quarter ended			Year ended	
	31-Mar-19 (Audited)	31-Dec-18 (Unaudited)	31-Mar-18 (Audited)	31-Mar-19 (Audited)	31-Mar-18 (Audited)
<b>INCOME</b>					
Revenue from Operations	293.45	362.59	355.10	1,776.76	1,089.84
Other Income	(0.01)	-	0.02	0.03	13.85
<b>Total Income</b>	<b>293.44</b>	<b>362.59</b>	<b>355.12</b>	<b>1,776.79</b>	<b>1,103.69</b>
<b>EXPENSES</b>					
Finance Costs	75.21	153.23	170.27	743.01	464.12
Employee Benefits Expense	74.77	49.10	39.55	212.44	158.44
Depreciation/ Amortization and Impairment Expenses	0.12	0.12	0.12	0.48	0.48
Administrative and Other Expenses	30.33	15.81	21.33	87.37	54.83
Bad Debt written off, Provisions, Contingencies and Diminutions	(45.86)	(42.94)	22.00	(316.34)	49.41
<b>Total Expenses</b>	<b>134.57</b>	<b>175.32</b>	<b>253.27</b>	<b>726.96</b>	<b>727.28</b>
<b>Profit Before Tax</b>	<b>158.87</b>	<b>187.27</b>	<b>101.85</b>	<b>1,049.83</b>	<b>376.41</b>
Tax Expense :					
- Current Tax	30.05	41.82	-	229.00	-
- Mat Credit Entitlement	(32.42)	-	-	(32.42)	-
- Deferred Tax	25.85	15.02	26.76	97.30	97.38
- Tax in respect of earlier years	-	-	1.11	-	1.31
<b>Total Tax Expense</b>	<b>23.48</b>	<b>56.84</b>	<b>27.87</b>	<b>293.88</b>	<b>98.69</b>
<b>Profit After Tax</b>	<b>135.39</b>	<b>130.43</b>	<b>73.98</b>	<b>755.95</b>	<b>277.72</b>
Paid-up Equity Share Capital (Par Value Rs. 10/- per Equity Share)	1,134.17	1,134.17	1,080.17	1,134.17	1,080.17
Reserves excluding Revaluation Reserves	-	-	-	3,810.39	2,914.03
<b>Earnings Per Equity Share (Basic and Diluted) (in Rs.) (*Not annualized)</b> (Par Value Rs. 10/- per Equity Share)					
Basic	*1.19	*1.13	*1.03	6.78	3.94
Diluted	*1.14	*1.08	*1.02	6.36	3.93





**ASHIKA CREDIT CAPITAL LIMITED**  
CIN:L67120WB1994PLC062199

Regd. Office : Trinity, 226/1, A.J.C. Bose Road, 7th Floor, Kolkata-700 020  
Tel no: (033) 40102500, Fax no: (033) 40102543  
Email: [secretary@ashikagroup.com](mailto:secretary@ashikagroup.com), website: [www.ashikagroup.com](http://www.ashikagroup.com)

**STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31<sup>st</sup> MARCH, 2019**  
**BALANCE SHEET**

Particulars	(Rs. in Lakhs)	
	As at 31-Mar-19 (Audited)	As at 31-Mar-18 (Audited)
<b>EQUITY AND LIABILITIES</b>		
Shareholders' Funds		
Share Capital		
Reserves and Surplus	1,834.17	1,080.17
Money Received Against Share Warrants	3,810.39	2,914.03
	48.60	97.20
	<b>4,993.16</b>	<b>4,091.40</b>
Non - Current Liabilities		
Long Term Provisions	19.23	17.83
	<b>19.23</b>	<b>17.83</b>
Current Liabilities		
Short Term Borrowings		
Trade Payables	1,683.00	9,173.73
- Due to Micro and Small Enterprises	-	-
Other Current Liabilities	54.52	103.16
Short Term Provisions	168.79	44.61
	<b>1,906.31</b>	<b>9,321.50</b>
<b>TOTAL</b>	<b>6,918.70</b>	<b>13,430.73</b>
<b>ASSETS</b>		
Non - Current Assets		
Property, Plant and Equipment		
- Tangible Assets	18.68	18.71
Non - Current Investments	18.80	18.80
Deferred Tax Assets (Net)	21.79	119.10
Long Term Loans and Advances	125.91	175.67
	<b>185.18</b>	<b>332.28</b>
Current Assets		
Cash and Cash Equivalents	899.11	1,557.56
Short Term Loans and Advances	4,533.72	11,234.89
Other Current Assets	1,300.69	306.00
	<b>6,733.52</b>	<b>13,098.45</b>
<b>TOTAL</b>	<b>6,918.70</b>	<b>13,430.73</b>

**Notes:**

- The above audited financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 22<sup>nd</sup> April, 2019.
- The business of the Company falls within a single primary segment viz., 'Financial Services' and hence the disclosure requirement of Accounting Standard 17 - 'Segment Reporting' is not applicable.
- The board has recommended a dividend of Re. 1 per Equity Shares of the Company, subject to approval of Members at the forthcoming Annual General Meeting.
- Based on its last audited balance sheet for FY 2017-18 approved by the Board of Directors on 28th May, 2018, the Company's asset size is more than Rs. 100 crore and hence it has come under the ambit of Para 21 of the Non-Banking Financial Company-Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016. The Company's auditors has qualified their audit report for the year ended 31st March, 2019, by stating, "The Company is yet to fully comply with the requirements of Para 21 of the Non-Banking Financial Company-Non Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, in respect of :-  
a) Maintaining a Loan to Value (LTV) ratio of 50% for loans granted against the collateral of shares, and  
b) Accepting only Group 1 securities (specified in SMD/Policy/Cir-9/2003 dated March 11, 2003 as amended from time to time, issued by SEBI) as collateral for loans of value more than Rs. 5 lakh.  
The impact of the aforesaid, if any, on the financial statements cannot be ascertained."  
The Company has complied with the requirement of Para 21 of the Non-Banking Financial Company-Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, except for one case at the year end, however, there is no impact of the same on the profit, net worth, total assets, total income, earning per share, total expenditure, total liabilities or any other financial items of the above audited financial results.
- Figures for the quarter ended 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March, 2018 are the balancing figures between audited figures in respect of full financial year and the published year to date figures up to the third quarter of the relevant financial year.
- Figures pertaining to the previous year/period have been rearranged /regrouped, wherever considered necessary, to make them comparable with those of the current period.

Place : Kolkata  
Date : 22<sup>nd</sup> April, 2019



For and on behalf of the Board of Directors



Pawan Jain  
Chairman  
DIN: 00038076

**INDEPENDENT AUDITOR'S REPORT****To the Members of Ashika Credit Capital Limited****Report on the Audit of the Financial Statements****Qualified Opinion**

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, 2019, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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, 2019, its profit and its cash flows for the year ended on that date.

**Basis for Qualified Opinion**

The Company is yet to fully comply with the requirements of Para 21 of the Non-Banking Financial Company-Non Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, in respect of :-

- a) Maintaining a Loan to Value (LTV) ratio of 50% for loans granted against the collateral of shares, and
- b) Accepting only Group 1 securities (specified in SMD/Policy/Cir-9/2003 dated March 11,2003 as amended from time to time, issued by SEBI) as collateral for loans of value more than Rs. 5 lakh.

The impact of the aforesaid, if any, on the financial statements cannot be ascertained.

We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for Qualified Opinion* section, we have determined the matters described below to be the key audit matters to be communicated in our report.



Key Audit Matter	Auditor's Response - Principal Audit Procedures
<p><b>Compliance with the requirements of the Non-Banking Financial Company-Non Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016</b></p> <p>The Company, being an NBFC, is governed by the aforesaid Directions of RBI and compliance with the same is of paramount importance. The Prudential Regulations of the aforesaid Directions, especially those relating to income recognition, asset classification and provisioning have a direct bearing on the Company's results and financial position, as reflected by the financial statements.</p> <p>Further, Para 21 of the aforesaid Directions regarding "Loans against security of shares" has become applicable to the Company during the FY 2018-19, which has a critical impact on the business model of the Company as parameters like Loan to Value ratio and specified securities against which loan can be given have been specified by Para 21.</p>	<p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive procedures, as follows:-</p> <ul style="list-style-type: none"> <li>- We assessed the Company's process to identify the impact of the Company coming within the purview of Para 21 of the said Directions and evaluated the design of internal controls put in place to ensure compliance with Para 21 norms.</li> <li>- Selected a sample of continuing and new contracts in respect of loans against security of shares and tested the operating effectiveness of the internal controls relating to compliance with Para 21 norms of LTV etc.</li> <li>- Tested the relevant information technology systems' access and change management controls relating to loan contracts and related information used in recording and disclosing income from these loans and any provisioning requirements in respect thereof.</li> <li>- Selected a sample of continuing and new loan contracts and performed the following procedures:             <ul style="list-style-type: none"> <li>• Read, analysed and identified the distinct performance obligations in these contracts viz. payment of interest, repayment of principal, topping up of security in case LTV breached etc.</li> <li>• Compared these performance obligations with that identified and recorded by the Company in the books of accounts</li> <li>• In case performance obligations were not met, whether the consequential impact as envisaged under income recognition, asset classification and provisioning norms in the said Directions were reflected in the books of accounts by the Company.</li> </ul> </li> </ul>

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance Report but does not





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include the financial statements and our auditor's report thereon. Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Corporate Governance Report are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with relevant rules issued thereunder. 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.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we have



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also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually, or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## 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 "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;



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- 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. The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
- f. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- g. The qualification relating to the maintenance of accounts and other matters connected therewith is as stated in the Basis for Qualified Opinion paragraph above.
- h. 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 2";
- i. 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 22 to the financial statements;
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/ W100048

Anand Kumar Jhunjhunwala

Partner

Membership No.056613



Kolkata

22<sup>nd</sup> April, 2019



**ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT**

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report of even date, to the members of the Company on the financial statements for the year ended 31<sup>st</sup> March, 2019]

- (i)
- (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, the Company's Management ("management") physically verifies its fixed assets annually which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification of fixed assets during the year.
- (c) The title deeds of immovable properties recorded as fixed assets in the books of account of the Company are held in the name of the Company, except as detailed herein below :-

Land/ Building	Total number of cases	Leasehold/ Freehold	Gross Block as at 31 <sup>st</sup> March, 2019 (Rs.)	Net Block as at 31 <sup>st</sup> March, 2019 (Rs.)	Remarks
Building	1	Freehold	15,62,394	13,01,746	Conveyance is pending

- (ii) The Company is a Non-Banking Finance Company ("NBFC") and it does not hold any inventory. Thus, paragraph 3(ii) of the Order is not applicable.
- (iii) The Company has granted unsecured loans to Companies covered in the register maintained under Section 189 of the Act.
- (a) According to the information and explanation given to us, we are of the opinion that the terms and conditions of the grant of the aforesaid loans are not prejudicial to the Company's interest.
- (b) The schedule of repayment of principal and payment of interest in respect of the aforesaid loans has been stipulated and the payment of interest is regular. As per the schedule of repayment of principal, no amount was repayable as at 31<sup>st</sup> March 2019.
- (c) There is no amount which is overdue in respect of the aforesaid loans.
- (iv) According to the information and explanations given to us in respect of loans, investments, guarantees and security, the Company has complied with the provisions of section 185 and 186 of the Act wherever applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public.
- (vi) Being a Non-Banking Financial Company, the provisions of clause 3(vi) of the Order with regard to the maintenance of cost records are not applicable to the Company.



(vii)

(a) According to the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, cess and any other material statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears as at 31<sup>st</sup> March, 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, the dues as at 31<sup>st</sup> March, 2019 of income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax and goods and services tax, which have not been deposited on account of any dispute, are as follows :

Name of the Statute	Nature of dues	Amount (Rs.)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	34,590	2014-15	CIT (Appeals), Kolkata

- (viii) Based on our audit procedures and as per the information and explanations given to us by the management, we are of the opinion that during the year the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank or Government. The Company has not issued any debentures as at the balance sheet date.
- (ix) The Company has neither raised money by way of initial public offer or further public offer (including debt instruments) nor has obtained any term loans. Therefore, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us by the management, we report that we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) According to the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company.
- (xiii) According to the information and explanation given to us and based on our examination of the records of the Company, transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- (xiv) The Company had made preferential allotment of fully convertible equity warrants during the FY 2017-18 and pursuant to exercise of option by the warrant holder, certain warrants were converted into fully paid-up equity shares during the year under review. According to the information and explanations given to us, the requirements of Section 42 of the Act have been complied with and the amount raised has been used for the purposes for which the funds were raised.



# HARIBHAKTI & CO. LLP

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- (xv) As per the information and explanations given to us, the Company has not entered into any non-cash transactions during the year with directors or persons connected with them.
- (xvi) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and the registration has been obtained.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W/ W100048



Anand Kumar Jhunjunwala

Partner

Membership No.056613

Kolkata

22<sup>nd</sup> April, 2019

## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(h) under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report of even date, to the members of the Company on the financial statements for the year ended 31<sup>st</sup> March, 2019]

### Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of the Company as of 31<sup>st</sup> March, 2019 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 Board of Directors 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 (the "Guidance Note") 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 Act.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 were 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 judgement, 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



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 that the degree of compliance with the policies 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<sup>st</sup> March, 2019, 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 issued by the ICAI.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W/ WT00048

*A & Anand Kumar Jhunjunwala*

Anand Kumar Jhunjunwala

Partner

Membership No. 056613



Kolkata

22nd April, 2019



**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results**

**Statement on Impact of Audit Qualifications for the Financial Year ended 31<sup>st</sup> March, 2019**

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]






I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) Rs in Lakhs	Adjusted Figures (audited figures after adjusting for qualifications) Rs in Lakhs*
	1.	Total income	1,776.79	1,776.79
	2.	Total Expense (including tax expense)	1,020.84	1,020.84
	3.	Profit After Tax	755.95	755.95
	4.	Earnings Per Share		
		-Basic	6.78	6.78
		-Diluted	6.36	6.36
	5.	Total Assets	6,918.70	6,918.70
	6.	Total Liabilities	1,925.54	1,925.54
	7.	Net Worth	4,993.16	4,993.16
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-

\*As per Management's estimation on the impact of audit qualification, as reflected in Item No. II(e)(i) hereinbelow..

**II. Audit Qualification (each audit qualification separately):**

- a. **Details of Audit Qualification:** Refer Annexure-A
- b. **Type of Audit Qualification:** Qualified Opinion
- c. **Frequency of qualification:** First time.
- d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**  
- Not applicable
- e. **For Audit Qualification(s) where the Impact is not quantified by the auditor:**
  - (i) **Management's estimation on the impact of audit qualification:** As per the Management, there is no impact of the audit qualification on the profit, net worth, total assets, total income, earning per share, total expenditure, total liabilities or any other financial items of the audited financial results.
  - (ii) **If management is unable to estimate the impact, reasons for the same:** Not Applicable
  - (iii) **Auditors' Comments on (i) or (ii) above:** There are no further comments except as disclose under the Item No. II (a) of Details of Audit Qualification.


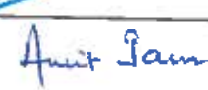
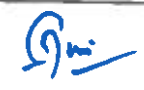
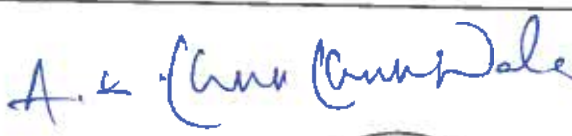



III.	<b>Signatories:</b>	
	Managing Director: Daulat Jain	
	CFO: Amit Jain	
	Audit Committee Chairman: Sagar Jain	
	<b>Statutory Auditor:</b> For Haribhakti & Co. LLP Chartered Accountants ICAI Firm Registration No.: 103523W/W100048  <b>Anand Kumar Jhunjunwala</b> Partner Membership No.: 056613	  
Place: Kolkata Date: 22 <sup>nd</sup> April, 2019		



Annexure- A

Sl. No	Details of Audit Qualification (s)	Management's Views
1.	<p><b>Basis for Qualified Opinion</b>                      The Company is yet to fully comply with the requirements of Para 21 of the Non-Banking Financial Company-Non Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, in respect of :-</p> <p>a) Maintaining a Loan to Value (LTV) ratio of 50% for loans granted against the collateral of shares, and</p> <p>b) Accepting only Group 1 securities (specified in SMD/Policy/Cir-9/2003 dated March 11,2003 as amended from time to time, issued by SEBI) as collateral for loans of value more than Rs. 5 lakh.</p> <p>The impact of the aforesaid, if any, on the financial statements cannot be ascertained.</p> <p><b>Qualified Opinion</b>                      In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the mater described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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 31st March, 2019, its profit and its cash flows for the year ended on that date.</p>	<p>The Company has complied with the requirement of Para 21 of the Non-Banking Financial Company-Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, except for one case at the year end, however, there is no impact of the same on the profit, net worth, total assets, total Income, earning per share, total expenditure, total liabilities or any other financial items of the audited financial results.</p>

<b>Signatories:</b>	
Managing Director: Daulat Jain	
CFO: Amit Jain	
Audit Committee Chairman: Sagar Jain	
<b>Statutory Auditor:</b> For Haribhakti & Co. LLP Chartered Accountants ICAI Firm Registration No.: 103523W/ W100048 Anand Kumar Jhunjunwala Partner Membership No.: 056613	 
Place: Kolkata Date: 22 <sup>nd</sup> April, 2019	