

21st August, 2023

| | | |
|---|---|---|
| <p>The Listing Department The Calcutta Stock Exchange Limited, 7, Lyons Range, Kolkata-700 001 Scrip Code: 11591 & 10011591</p> | <p>General Manager Department of Corporate Service BSE Ltd Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400001 Scrip Code: 543766</p> | <p>Head- Listing & Compliance Metropolitan Stock Exchange of India Limited (MSEI) Vibgyor Towers, 4th Floor, Plot C-62, Opp. Trident Hotel, Bandra Kurla Complex, Bandra Kurla (E), Mumbai-400098 Symbol Name: ASHIKA</p> |
|---|---|---|

Dear Sir/Ma'am,

Sub: Submission of Annual Report convening the 30th Annual General Meeting of Ashika Credit Capital Limited for the Financial Year ended 31st March, 2023

Pursuant to Regulation 30 read with Part A (Para A) of Schedule III and Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereof, please find enclosed herewith the Annual Report alongwith Notice convening the 30th Annual General Meeting (AGM) of Ashika Credit Capital Limited ("the Company") scheduled to be held on **Saturday, 16th day of September, 2023 from 11:30 A.M. (IST)** through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) for the Financial Year ended 31st March, 2023.

Pursuant to relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India, members may note that Notice of AGM and Annual Report for Financial Year 2022-2023 has been sent through electronic mode to all the Members of the Company whose email address is registered with the Company / Registrar and Transfer Agent, Maheshwari Datamatics Pvt Ltd / Depository Participant(s). The said Annual Report along with Notice of AGM has also been made available on the website of the company under the web link at https://ashikagroup.com/images/blog_images/Annual-Report-for-F.Y.-2022-2023.pdf

This is for your information and record.

Thanking you,
for, Ashika Credit Capital Limited

Anju Mundhra
Company Secretary
FCS: 6686

Encl: As above

Registered Office:

Trinity, 226/1, A. J. C. Bose Road
7th Floor, Kolkata 700 020
Tel.: +91 33 4010 2500
Fax: +91 33 4010 2543
E-mail: secretarial@ashikagroup.com
ashika@ashikagroup.com

Group Corporate Office:

1008, 10th Floor, Raheja Centre
214, Nariman Point, Mumbai-400 021
Tel.: +91 22 6611 1700
Fax: +91 22 6611 1710
E-mail: mumbai@ashikagroup.com

Ashika Credit Capital Limited

Annual Report 2022-23

Moving ahead with
agility



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Investor information

| | |
|--|--------------------------------|
| Market Capitalisation as at 31st March, 2023 | ₹ 4692.60 Lacs |
| CIN | L67120WB1994PLC062159 |
| BSE Code | ASHIKA 543766 |
| ISIN | INE094B01013 |
| AGM Date | Saturday, 16th September, 2023 |
| AGM Mode | Audio/Video Conferencing |
| VC platform and voting | NSDL |



Disclaimer: This document contains statements about expected future events and financials of Ashika Credit Capital Limited or the Company, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

Corporate Information

BOARD OF DIRECTORS

| | |
|----------------------|--|
| Mr. Pawan Jain | – Executive Chairman |
| Mr. Daulat Jain | – Managing Director & CEO |
| Mr. Sagar Jain | – Independent Director |
| Mr. Amit Jain | – Non-Executive Non-Independent Director |
| Ms. Sonu Jain | – Independent Director |
| Ms. Suparna Sengupta | – Independent Director |

CHIEF FINANCIAL OFFICER

Mr. Gaurav Jain

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Anju Mundhra

STATUTORY AUDITORS

M/s DMKH & Co.

Chartered Accountants

803-804, Ashok Heights, Nicco Circle,
Old Nagardas Lane, Andheri (E)
Mumbai 400006

INTERNAL AUDITOR

Shyamsukha Amit & Associates

Chartered Accountants

19, Ganesh Chandra Avenue
Premier House, 2nd Floor, Suit No 7
Kolkata – 700013

SECRETARIAL AUDITOR

M R & Associates

Company Secretaries

46, B. B. Ganguly Street
Kolkata – 700012

PRINCIPAL BANKERS

HDFC Bank Ltd.

ICICI BANK

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

Website : www.ashikagroup.com

AUDIT COMMITTEE

Mr. Sagar Jain, Chairman

Ms. Suparna Sengupta, Member

Ms. Sonu Jain, Member

NOMINATION & REMUNERATION COMMITTEE

Mr. Sagar Jain, Chairman

Ms. Suparna Sengupta, Member

Ms. Sonu Jain, Member

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Ms. Sonu Jain, Chairman

Ms. Suparna Sengupta, Member

Mr. Sagar Jain, Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Ms. Sonu Jain, Chairman

Mr. Sagar Jain, Member

Mr. Daulat Jain, Member

CORPORATE OFFICE

1008, Raheja Centre, 10th Floor

214, Nariman Point, Mumbai - 400021

Tel : (022) 66111700

Fax : (033) 66111710

Email : ashika@ashikagroup.com

BRANCH OFFICE :

7, B. B. Ganguly Street

4th Floor, Kolkata – 700012

Email : secretarial@ashikagroup.com

REGISTRAR & SHARE TRANSFER AGENT

Maheshwari Datamatics Pvt. Ltd.

23, R. N. Mukherjee Road, 5th Floor,

Kolkata 700 001

Tel: (033) 22482248, 22435029

Email: mdpldc@yahoo.com

Website : www.mdpl.in

At Ashika, our changed operating model has helped us report a balanced growth in 2022-23.

Making a stronger case **for stability.**

Taking steps to **transform possibilities into realities.**

Looking closely at people capabilities to create a **new performance paradigm;**

Inspired by a belief that **value creation** is a **journey that never stops.**

Today, we are **evolving** with an aspirational India, moving with times and tapping into the **emerging opportunities.**



This is a concise portrayal of Ashika Credit Capital Ltd.

Diverse stakeholder aspirations.
One robust commitment for value.
Not intermittently, but consistently.

Whether you see it as a craft honed over time,
or a sensible science, our mission is clear:
to exceed the expectations of all those we serve,
while always challenging ourselves
to do even better and

move ahead with agility

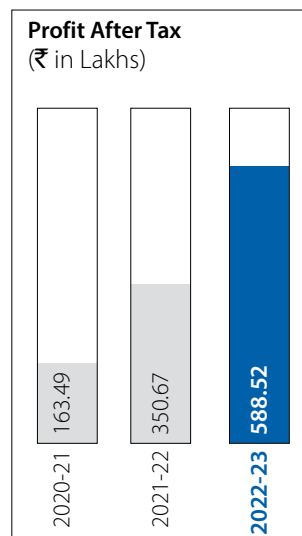
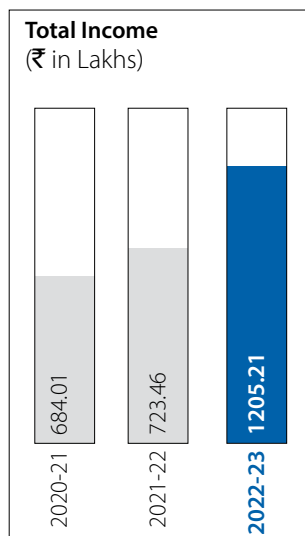


When we achieve milestones through agility

At Ashika, we are committed to India's economic development through financial services and have been consistent in our approach. Some of the landmarks achieved by us in our three decades of journey are as follows:



How we performed over the years?



2000

Shares of the Company got listed on the Calcutta Stock Exchange (CSE).

2011

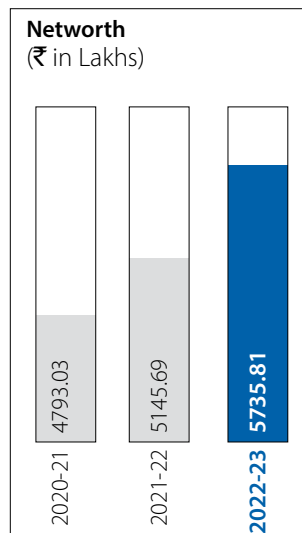
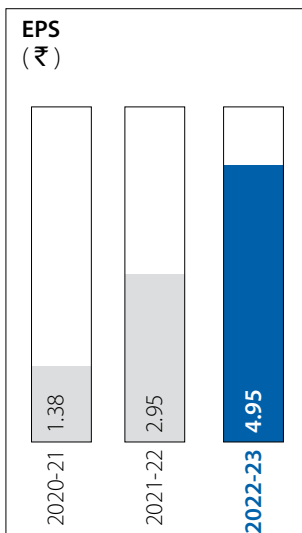
Received permission to trade securities on the Bombay Stock Exchange under the category of 'permitted securities'.

2014

Commenced trading on the Metropolitan Stock Exchange of India.

2023

Company shares got listed on Main board of BSE.



Agile

In a world increasingly vulnerable to volatility across markets and products, sustainable growth is largely derived from comprehensive de-risking. Ashika progressively de-risked itself across functions, products and markets, making it possible to survive through its management agility.



The Company focused on investment in shares and securities due to the buoyant capital markets;



The Company restricted its loan profile, rather concentrated on secured loan.



The Company made security investments through proper research.



The Company strengthened its formidable robust risk management with best practices derived from alliances.



Today, we are successfully outperformed and have achieved 31% y-o-y growth in our Topline through an extremely efficient and superior management of processes, standards and technologies.

**THESE INITIATIVES WILL ALWAYS
ENABLE THE ORGANIZATION TO BECOME
AGILE AND FUTURE-READY, THEREBY
RESULTING IN STEADY GROWTH
DESPITE OF EVER CHANGING MARKET
LANDSCAPE.**

Proficient

In a world, increasingly sensitive to the ethical standards of corporate management, enduring success is largely derived from the ability to inspire complete trust.

- Ashika inspires stakeholder trust through the uncompromising benchmarking of its governance ethic with the most demanding global standards.
- The company's governance is based on a bedrock of financial discipline, ethical commitment and corporate transparency. This governance is unambiguously reflected in enhanced shareholder value. Over the years, the company has raised its governance bar through the following initiatives:



Board: Three of the Six Directors are Independent, bringing contemporary expertise, experience and enthusiasm to the Company; the Directors play an active role in formulating long-term strategies enabling the Company to carve a niche in the NBFC space while reviewing impassionedly the progress of such strategies periodically.



Committees of the Board: The Company's passion for excellence is spearheaded by various committees guided by Directors in active participation of CFO and the Company Secretary having experience in the NBFC sector working and operations.



Governance Philosophy: Our upright Corporate Governance philosophy satisfies not just the letter of the law, but the spirit of it. Our transparent approach towards maintaining a high degree of disclosures enables the stakeholders to have a clear idea regarding the operations of the Company

**WITH A RELENTLESS FOCUS ON
EFFICIENCY AND MANAGEMENT
BANDWIDTH, WE AIM TO DELIVER
PROGRESSIVE PERFORMANCE EVERY
YEAR.**





**Company shares
got listed on main
board of BSE
platform in the FY
2022-2023**

**From the desk of
Chairman**

Dear Shareholders

It is my pleasure to welcome you to the 30th Annual General Meeting. I am delighted to mark the significant leaps of Ashika's continued commitment to pursuing its objectives and achieving progress despite challenges. In the face of a dynamic operating environment, the Company has demonstrated the ability to remain stable and consistent in driving its accelerated and sustainable growth agenda through agility.

- During the current year our total income stood at ₹1,205.21 Lakhs registering a jump of 66.59%, Profit after tax stood at ₹ 588.52 Lakhs screening a jump of 67.83% and EPS increased by 67.80%.
- Due to our constant effort, shares of the Company are now directly listed on the main board of BSE from Permitted Securities Category. Equity shareholders are expected to get better valuations of their long-term holding in future.

Our journey which started in 1994, has seen us emerging over the years as one of the leading and trustworthy brand of financial services in India, particularly in Eastern India. Over the years, the market dynamics have changed and the financial attractiveness of the pure lending business got significantly impacted due to various inbound and outbound reasons. Considering the need for effective value creation for the shareholders, the company had changed its operating model and focused more on investment in securities and restricted the loan profile, rather concentrated to offer mainly secured loans.

To rapidly grow and expand the businesses, we will actively continue to look for both organic and inorganic growth. We will seek partnership and investors, wherever appropriate from leading institutions, both strategic and financial. In spite of all the efforts by the government and various banks and non-banking financial institutions, a

significant part of the financial market still continues to be serviced by unorganized players with inappropriate practices. But, we seek to expand secured financing for benefit of company and our stakeholders. This secured revenue model will help us to cater the interest of our stakeholders in the future.

Over the last few years, I am happy to share that the lending and investment businesses of Ashika have experienced satisfactory growth. And from here on, we believe that it's time for us to have more focus on enhancing profitably and scaling up all the business verticals. I am convinced that, to achieve a culture of profitable growth, the intention to become profit conscious must percolate from the management right down to the last person in the organization.

I understand there are several challenges, including the regulatory compliances, increased competition and interest rate tightening. We shall continue to maintain a healthy balance between growth and quality. We are confident to overcome these with our customer centric and flexible approach. We have complete faith in our regulators and their decisions, considering the larger interest of the nation, and we whole heartedly support them.

Our employee centricity has helped us frame and inculcate a very healthy work environment, which is reflected in our performance. I thank enough my fellow colleagues for their enthusiasm, zeal and support to make Ashika what it is today. Our achievements have enabled our focus on core values: we are fair, transparency continues to be the core; flexible to serve customized needs, that has put us on the pinnacle of success today with no grievances at all.

I am thankful to our esteemed Board Members and investors for guiding us all along in our journey with their diverse experiences, knowledge base and active interest in every step of our journey. With your continuous support, we will be able to take our business to newer heights and hoping for a very positive year ahead.

Thanking you

With warm regards

Your sincerely ,

Pawan Jain

Chairman



Board's Report



The Financial Year 2022-23 was a year of recovery from the adverse impacts of COVID-19 pandemic. The Indian economy successfully faced the challenges posed



Dear Shareholders,

Your Directors have pleasure in presenting the 30th Annual Report along with the Audited Financial Statements of Ashika Credit Capital Limited ("Company") for the Financial Year ended 31st March, 2023.

1. FINANCIAL HIGHLIGHTS

(Amount in ₹ Lacs)

| Financial results for the year ended | 31 st March, 2023 | 31 st March, 2022 |
|--|------------------------------|------------------------------|
| Total Income | 1205.21 | 723.46 |
| Profit/ (Loss) before tax | 794.37 | 544.26 |
| Less: Tax Expenses | 205.85 | 193.59 |
| Profit / (Loss) for the year | 588.52 | 350.67 |
| Other Comprehensive Income/ (Loss) for the year, net of Income Tax | 1.59 | 1.99 |
| Total Comprehensive Income | 590.11 | 352.66 |

2. INDUSTRY OUTLOOK

After several challenging years, exacerbated by the Covid-19 pandemic, fiscal 2023 has finally brought growth back into focus for NBFCs. In fact, NBFCs have showed resilience and adapted efficiently, even during the Covid-19 pandemic, to an evolving credit landscape. NBFCs are expected to play a larger role in supporting the socio economic construct of the Indian economy in 2023. NBFCs have certainly emerged stronger and better positioned in majority of critical operational parameters. Provisioning levels have also improved in the past couple of years, as NBFCs created management overlays to provide for uncertainty pertaining to the pandemic. Overall, the sector

Board's Report

has much stronger balance sheets today. Crisil estimated Assets under Management (AUM) of NBFCs to have increased 12-13% in Financial Year 2022-2023 vis-a-vis single-digit growth over the past three fiscals (2020-2022). More importantly, the rating agency is confident of growth continuing into Financial Year 2023-2024 too driven by improving economic activity, strengthened balance sheet buffers, and better asset quality metrics

The opportunity for credit penetration still remains very high in India. The NBFCs can set a new benchmark by tying up with fintechs and introducing new business models with personalised offerings. The world seems to be recovering from the aftermath of the challenges posed in the last few years. Overall, despite the challenges, India has emerged as a bright spot in terms of economic growth amidst an outlook of global slowdown. The uptick in demand during the festive season is one of the reasons which make us optimistic. It is heartening to see that RBI and policymakers recognise the contribution of NBFCs in supporting real economic activity and meeting the credit demand, especially reaching the unbanked. The recent RBI Scale based norms is another welcome step for the industry that will elevate the status of NBFCs in line with several other public sector NBFCs. Under these revised norms, we expect to attain more operational flexibility to meet the increasing credit demand and aid India's economic growth. The trajectory in overall systemic credit growth has been encouraging so far, in spite of a spree of interest rate hikes.

According to CARE Ratings, revised asset classification norms, which came into effect from 1st October, 2022, mandates that all NBFCs are required to collect the entire arrears to upgrade an NPA. Asset classification would start exactly from the overdue date, unlike the erstwhile practice of starting 90 days from the end of the month in which the account becomes overdue. These regulatory refinements may impact asset quality in the near term.

Banks' outstanding credit to Non-Banking Financial Companies (NBFCs) has remained robust and spiked by 30.2% Y-o-Y in March 2023 to reach Rs 13.3 Lakhs crore, as per report released by Care Edge. The growth has remained robust due to high growth in the NBFC asset book and as additional borrowings moved to banks due to differentials between market yields and interest rates offered by banks and lower borrowings in the overseas market. Compared to February 2018 numbers, absolute bank lending to NBFCs has more than tripled, while MF exposure has broadly reduced by over a third over the last five years. It also said if March 2023 data is compared with February 2020 numbers, bank borrowings by NBFCs have increased by 58.5%. Bank credit to NBFCs continues its upward trajectory into Financial Year 2022-2023. Further, intensifying competition from banks, especially in the traditional retail segments of home loans and vehicle finance is another factor to weigh in. However, credit rating agencies like Crisil believes that NBFCs are realigning their portfolio strategies to combat these challenges by shifting their focus towards non-traditional asset classes—unsecured loans; micro, small and medium enterprise (MSME) finance; and used vehicle finance—which are expected to post higher growth. Consequently, these segments are garnering higher share in incremental disbursements. While the traditional segments will also grow, the rate is unlikely to surpass the pre-pandemic levels. Besides, co-lending and partnerships between large and mid-sized NBFCs is likely to gain traction. Crisil believes that with these shifts, NBFCs will be able to pass on the increase in cost of borrowing to consumers and thus limit the gross spread compression. Besides, improvement in asset quality will provide some cushion.

3. COMPANY'S FINANCIAL PERFORMANCE

The Financial Year 2022-2023 was a good year for the Company. It generated revenue balancing both the Portfolios i.e. Loan and Investments. Your Company's profits increased to a considerable extent and stood at ₹ 794.37 Lacs for the Financial Year ended 31st March, 2023 showing growth of 45.95% as compared to its previous year. Total income also recorded a significant increase of 66.59% as compared to previous year, mainly on account of gain from Trading & Investment in Securities Market. Your company had a bad debt recovery of ₹ 145 Lacs during the year under review. The increase in expenditure of the company is because of Fees paid to Exchanges towards Listing of company on Main Board of BSE and incurring of other charges like brokerage, STT & incidental cost etc for trading in securities market. The Earnings per Share (EPS) of the Company for the Financial Year 2022-2023 stood at ₹ 4.95.

Your company had achieved a milestone and got its securities Listed on Main Board of BSE Platform under Direct Listing route. The Listing & Trading of the equity shares of the Company commenced w.e.f. 14th February, 2023 in the list of "X" Group. The new Scrip Code is 543766 and Scrip ID: ASHIKA.

4. CHANGE IN NATURE OF BUSINESS

There has been no change in nature of business of the Company during the Financial Year 2022-2023. Your company is engaged in one segment i.e. financial services - providing Secured & Un-Secured Loan, Trading & Investment in securities .

5. DIVIDEND

The Company has earned profit during the year under review and the said profit shall be ploughed back in the company and so, Board of Directors decided not to recommend any dividend for the Financial Year ended 31st March, 2023.

6. CHANGES IN SHARE CAPITAL

The Authorized Share Capital of your Company as on 31st March, 2023 stands at ₹ 20,25,00,000/- divided into 2,02,50,000 equity shares of ₹ 10/- each. The Issued & subscribed Share Capital of your Company is ₹ 11,88,61,740/- divided into 1,18,86,174 equity shares of Rs. 10/- each and the Paid-up Share Capital is ₹ 11,88,00,000/- divided into 1,18,80,000 equity shares of ₹ 10/- each, fully paid-up.

During the year under review, the Company has not issued any shares. Further, the Company has not issued shares with differential voting rights. The Company has neither issued employee stock options or sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

7. TRANSFER TO RESERVE

Your company proposes to transfer ₹ 117.70 Lacs to Statutory Reserves u/s 45 IC of RBI Act, 1934 for the Financial Year ended 31st March, 2023.

8. DIRECTORS & KEY MANAGERIAL PERSONNEL

DIRECTORS

The composition of the Board of Directors of the Company is in accordance with the provisions of Section 149 of the Companies Act, 2013 ("the Act") and Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") with an optimum combination of Executive, Non-Executive and Independent Directors including women director. The Board of the Company has 6 (Six) Directors. The details of the Directors of the Company

Board's Report

have been provided in the Report on Corporate Governance forming part of this Annual Report.

During the year under review, upon recommendation of Nomination & Remuneration Committee and approval of Board, the re-appointment of Mr. Pawan Jain (DIN: 00038076), Executive Chairman and Mr. Daulat Jain (DIN: 00040088), Managing Director, who have the required integrity, expertise and experience and based on the performance evaluation, was duly approved by the Shareholders of the Company in the 29th AGM held in the year 2022 for a further period of consecutive 3 (three) years, effective from 1st November, 2022. They are liable to retire by rotation.

Further, on recommendation of Nomination & Remuneration Committee, Ms. Sonu Jain (DIN: 07267279) was re-appointed by the Shareholders of the Company at the 28th AGM held in 2021, as Non-Executive Independent Director of the Company for a further period of consecutive 3 (three) years, effective from 1st April, 2022. She is not liable to retire by rotation.

There were no other changes in the composition of Board of Directors during the year under review.

RE-APPOINTMENT OF DIRECTOR RETIRING BY ROTATION IN TERMS OF THE PROVISIONS OF THE COMPANIES ACT, 2013

Section 152 of the Act provides that unless the Articles of Association provide for the retirement of all directors at every AGM, not less than two-third of the total number of directors of a public company (excluding the Independent Directors) shall be persons whose period of office is liable to determination by retirement of directors by rotation.

Accordingly, Mr. Amit Jain, Non Executive Director (DIN: 00040222) is liable to retire by rotation at the ensuing Annual General Meeting ("AGM") and being eligible, has offered himself for re-appointment.

Pursuant to Regulation 36 of the Listing Regulations read with Secretarial Standards- 2 ("SS-2") issued by the Institute of Company Secretaries of India ("ICSI"), a brief resume / details relating to the director liable to retire by rotation is furnished in the Notice of the ensuing AGM of the Company.

INDEPENDENT DIRECTORS

The Company has received declarations pursuant to Section 149(7) of the Act from all the Independent Directors (IDs) of the Company confirming that they meet the criteria of independence as prescribed both under Section 149(6) as well as Schedule IV of the Act, read with rules framed thereunder, and in terms of Regulation 16(1)(b) of Listing Regulations. Your company has also received declaration from Independent Directors that they have affirmed compliance with Company's Code of Conduct applicable to all the Board Members and Senior Management Personnel of the Company for the Financial Year ended 31st March 2023.

In terms of Regulation 25(8) of the Listing Regulations, they have confirmed that they are not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based upon the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management. In terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the Company have included their names in the data bank of Independent

Directors maintained with the Indian Institute of Corporate Affairs ("IICA") and have successfully completed the online proficiency self-assessment test conducted by IICA within the prescribed time period, unless they meet the criteria specified for exemption.

As stipulated in the Code of Conduct for Independent Directors under the Act and the Listing Regulations, a separate Meeting of the Independent Directors of the Company was held on 25th January, 2023 to review the performance of Non- Independent Directors, including Executive Directors/ Managing Director, Chairperson and the Board, as a whole. The Independent Directors also assessed the quality, quantity and timeliness of flow of information between the Company Management and the Boards which is necessary to effectively and reasonably perform and discharge their duties.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience, integrity and expertise in the fields of finance, taxation, advisory, corporate law, and so on.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, as applicable, received by them.

FAMILIARIZATION PROGRAMME

The Company has formulated a policy on 'Familiarisation Programme for Independent Directors'. Accordingly, upon appointment of an Independent Director, the appointee is given a formal Letter of Appointment, which inter alia, explains the role, functions, duties and responsibilities expected as a Director of the Company. Further, the Company also familiarizes the Independent Directors with the Company, their roles, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company, various businesses in the group etc.

The Director is also explained in detail the compliance required from him under the Act and the Listing Regulations. Further, on an ongoing basis, presentations are regularly made to the Independent Directors on various matters inter-alia, covering the business strategies, management structure, quarterly and annual results, budgets, review of Internal Audit, risk management framework and so on.

The Policy on "Familiarisation Programme for Independent Directors" along with the details of the familiarization Programmes are available on the website of the Company and can be accessed at https://ashikagroup.com/pdf/familiarization_programme/familiarisation-programme-2022-2023.pdf

KEY MANGERIAL PERSONNEL

In terms of the provisions of Section 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and amendments thereof, the following are the Whole-Time Key Managerial Personnel (KMPs) in accordance with the provisions of Section 2(51) read with Section 203 of the Companies Act, 2013 -

- Mr. Pawan Jain - Executive Chairman
- Mr. Daulat Jain - Managing Director and Chief Executive Officer (CEO)
- Mr. Gaurav Jain - Chief Financial Officer (CFO)
- Ms. Anju Mundhra - Company Secretary and Compliance Officer

Board's Report

9. MEETINGS OF THE BOARD

Your Company's Board is duly constituted and is in compliance with the requirements of the Act, the Listing Regulations and provisions of the Articles of Association of your Company. Your Board has been constituted with requisite diversity, wisdom, expertise and experience commensurate to the scale of operations of your Company.

The Board met Five times during the year under review. The intervening gap between the two meetings did not exceed, at any time, the prescribed period of 120 days. The Committees of the Board usually meet the day before or on the day of the Board meeting, or whenever the need arises for transacting business. In case of business exigencies or urgency of matters, resolutions are passed by circulation.

Board meetings during Financial Year 2022-2023 were held on 17th May, 2022, 26th May, 2022, 6th August, 2022, 11th November, 2022 and 13th February, 2023. Details of Board composition and Board Meetings held during the Financial Year 2022-2023 have been provided in the Corporate Governance Report which forms part of this Annual Report.

10. EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Sections 134(3)(a) and 92(3) of the Companies Act, 2013, the Annual Return for the Financial Year ended 31st March, 2023, is available on the website of the Company at the link: https://ashikagroup.com/pdf/annual_return/annual-return-2022-2023.pdf

11. BOARD COMMITTEES

The Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority.

Pursuant to various requirements under the Act and the Listing Regulations, the Board of Directors has constituted mandatory Board-level committees comprising of Executive and Non-Executive Directors in compliance with the requirements of the business and relevant provisions of applicable laws and statutes, such as, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. The details of composition, terms of reference, etc., pertaining to these committees are mentioned in the Corporate Governance Report which forms part of this Annual Report.

The Company in its Board meeting held on 26th May, 2022 had Constituted the Risk Management Committee of the Company w.e.f 1st October 2022 in terms of RBI Circular- Circular RBI/2021-22/112 DOR.CRE.REC.No.60/03.10.001/2021-22 dated 22nd October, 2021. Since the Risk Management committee is not constituted as per Regulation 21 of the Listing Regulations, the composition of the same is not included in Corporate Governance Report. In addition of the above, the Board has composed other committees as per RBI Regulations and other internal committees for the ease of carrying on business.

NOMINATION & REMUNERATION POLICY

Section 178 of the Act and Regulation 19 read with Part D of Schedule II of the Listing Regulations, as amended from time to time, requires the Nomination and Remuneration Committee ("NRC") to formulate a Policy relating to the Remuneration for the Directors, Key Managerial Personnel ("KMP"), Senior Management Personnel ("SMP") and other employees of the Company and recommend the same for approval of the Board.

Accordingly, in compliance to the aforesaid provisions, the Nomination and Remuneration Policy of the Company is available on the website of the Company and can be accessed at <https://ashikagroup.com/pdf/policies/2022-06-Nomination-and-Remuneration-Policy.pdf>. Further, in terms of the recent amendments in Listing Regulations, the existing Nomination & Remuneration Policy of the Company has been amended. The revised Nomination & Remuneration Policy shall be effective from 1st June, 2023 and is uploaded at the link <https://ashikagroup.com/pdf/policies/Nomination&Remuneration-Policy-01.06.2023.pdf>

The Policy enumerates the powers, roles and responsibilities of the Nomination and Remuneration Committee. It broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to the Executive and Non-Executive Directors (by way of sitting fees & others), KMP and SMP. Your Board on the recommendations of the Nomination and Remuneration Committee appoints Director(s) of your Company based on his / her eligibility, experience and qualifications and such appointment is approved by the Members of the Company at General Meetings. As part of the policy, the Company strives to ensure that:

- The level and composition of remuneration is reasonable and sufficient to attract, retain, and motivate Directors of the quality required to run the Company successfully;
- Relationship between remuneration and performance is clear and meets appropriate performance benchmarks; and
- Remuneration to Directors, KMPs, and Senior Management involves a balance between fixed and incentive pay, reflecting short, medium, and long-term performance objectives appropriate to the working of the Company and its goals.

It is affirmed that the remuneration paid to Directors, Key Managerial Personnel and other Senior Employees is as per Nomination & Remuneration Policy of the Company.

12. FORMAL ANNUAL EVALUATION

The Annual Performance Evaluation of the Board, Individual Directors (including Managing Director/ Executive Director, Chairperson and Independent Director of the Company), Committees of the Board, Self Evaluation of Individual directors, excluding the director being evaluated and Peer-to-peer Evaluation has been conducted pursuant to the applicable provisions of Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Guidance Note issued by SEBI pertaining to Board evaluation process and also Guidance Note on Board Evaluation process issued by Institute of Company Secretaries of India (ICSI) dated August, 2020. Your company has carried out its Evaluation process for the Year 2022-2023 and it was duly taken on record by Nomination & Remuneration Committee, Independent Directors and Board in their respective meetings. The evaluation parameters and the process have been explained in detail in the Corporate Governance report.

13. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosure in terms of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are forming part of this report and has been appended as Annexure I to the Board's Report.

Pursuant to Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, no employee other than Executive Chairman has been paid remuneration of

Board's Report

more than ₹ 1.02 Crores per annum. Also, there are employees drawing remuneration more than Managing Director but no employee except the Executive Chairman and Managing Director hold more than 2% of equity shares of the company, as Karta of HUF and as an individual, respectively. The statement pursuant to Rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of **Annexure I** to the Board's Report.

In terms of first proviso to Section 136 of the Act, the Report and Financial Statements are being sent to the Members and others entitled thereto, excluding the information on employees' particulars as required pursuant to provisions of Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

In accordance with the provisions of Section 197 of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the annexure pertaining to the information on employee will be available for inspection at registered office of the company in physical mode. Shareholders can inspect the same up to the date of AGM, by sending requisition to the Company at secretarial@ashikagroup.com. Any shareholder interested in obtaining a copy of the said Annexure may write to the Company Secretary & Compliance Officer in this regard.

14. 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. Hence, disclosure regarding the same is not applicable to the Company under the Companies Act, 2013.

15. AUDITORS

STATUTORY AUDITORS

M/s DMKH & Co, Chartered Accountants, having Firm Registration Number 116886W, have been appointed as the Statutory Auditors of the Company to hold office for a continuous term of 3 years from conclusion of the 28th Annual General Meeting held in the year 2021 till the conclusion of 31st Annual General Meeting to be held in the year 2024 as per Section 139 of the Act and the Rules made thereunder.

Further, the Statutory Auditors have provided a confirmation letter stating that they are not disqualified to act as the Statutory Auditors of the Company for Financial Year 2023-2024. Further, they have confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.

The Statutory Auditor has issued Audit Reports with unmodified opinion on the Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2023. The Notes on the Financial Statements referred to in the Audit Report are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3)(f) of the Companies Act, 2013.

During the year under review, the Statutory Auditors have not reported any instances of fraud committed against the Company by its officers or employees under Section 143(12) of the Act to the Audit Committee of the Board.

SECRETARIAL AUDITORS:

Pursuant to the provisions of Section 204 of the Act and the

Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company has appointed M/s. M R & Associates, Practicing Company Secretaries to conduct the Secretarial Audit for the Financial Year 2022-2023. The Secretarial Audit Report confirms that the Company has complied with the provisions of the Act, Rules, Listing Regulations and Guidelines and that there were no deviations or non-compliances. The Secretarial Audit Report for the Financial Year ended 31st March, 2023 is annexed herewith and marked as **Annexure-II**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Furthermore, the Secretarial Auditors, M/s. M R & Associates, Practicing Company Secretaries, have also certified the compliance as per Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and same has been intimated to the stock exchanges within the stipulated time and there stood no qualification reported by the Secretarial Auditor in the said report.

16. VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to the provisions of Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the Listing Regulations, as amended from time to time, the Company has framed Vigil Mechanism/ Whistle Blower Policy ("Policy") to enable directors and employees to report genuine concerns or grievances, significant deviations from key management policies and reports of any non-compliance and wrong practices, e.g., unethical behavior, fraud, violation of law, inappropriate behavior /conduct etc. The Audit committee oversees the functioning of this policy. The objective of this mechanism is to maintain a redressal system which can process all complaints concerning questionable accounting practices, internal controls, or fraudulent reporting of financial information. No person is denied access to the Chairman of the Audit Committee.

The said policy is available on the website of the Company www.ashikagroup.com and can be accessed at the link <https://ashikagroup.com/pdf/policies/ACCL-2022-03-Vigil-Mechanism-Policy.pdf>

Further, no complaints were reported under the Vigil Mechanism during the year under review.

17. RISK MANAGEMENT FRAMEWORK

Non-banking financial companies (NBFCs) are an essential component of India's financial system. The history of India's NBFC industry is one of under-regulation followed by over-regulation. NBFCs are involved in high-risk lending, and they often lend to small and medium-sized businesses, which are classified as high-risk assets. Your Company has a Risk Management Policy consistent with the provisions of Section 134(3)(n) of Companies Act, 2013 and Regulation 17(9) of SEBI (LODR) Regulations, 2015. The Company's governance structure has well defined roles and responsibilities, which enable and empower the Management to identify, assess and leverage business opportunities and manage risks effectively.

The Internal Audit Department facilitates the execution of Risk Management Practices in the Company, in the areas of risk identification, assessment, monitoring, mitigation and reporting. The Company has laid down procedures to inform the Audit Committee as well as the Board of Directors about risk assessment and related procedures & status. The Company recognises that all emerging and identified risks need to be managed and mitigated

Board's Report

to protect its shareholder's and other stakeholder's interests, achieve its business objectives and enable sustainable growth. The Audit Committee has additional oversight in the area of financial risks and controls.

The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. All risk factors has been duly considered like Credit cost, Interest, Business, Market, Strategic, Operational, Credit, Human Resource, Regulation & Compliance, Liquidity risk. Compliance Risk is one of the major risks faced by NBFC, so Compliance officer is entrusted to ensure strict observance of all statutory and regulatory requirements. Compliance risk goes beyond mere fines and penalties that may arise as a result of compliance irregularities and the Compliance Function needs to consider the entire gamut of adverse events that a company may be exposed to as a result of compliance failures. These may include events with extreme impact such as suspension of business operations or loss of reputation as a result of enforcement action against senior management.

In terms of Scale Based Regulation Regulatory Framework for NBFCs introduced by RBI dated 22nd October, 2021, your company is falling under Base Layer and accordingly had constituted a Risk Management Committee (RMC) w.e.f. 1st October, 2022. The Committee is responsible for evaluating the overall risks faced by the NBFC including liquidity risk and will report to board and assist the Board in fulfilling its corporate governance oversight responsibilities with regard to the identification, evaluation and mitigation of operational, strategic and external environment risks. The Committee has overall responsibility for monitoring and approving the risk framework and associated practices of the Company.

Further in line with the RBI guidelines for Asset Liability Management (ALM) system for NBFCs, the Company also has an Asset Liability Committee, which meets as and when required to review its ALM risks and opportunities. Your company has developed policies and processes to incorporate a consistent approach to risk management by developing culture at operational and strategic levels. In all cases, appropriate measures are put in place to address unfavorable impact from risk and favorable benefit from opportunities. Company strives to identify measures and manage all risks in prudent manner, through its' policies and processes.

The detailed section on key business risks and their mitigation strategies forms part of 'Management Discussion and Analysis' Section in the Report on Corporate Governance, which forms part of Annual Report.

18. CORPORATE SOCIAL RESPONSIBILITY

The Company recognizes the responsibilities towards society and strongly intends to contribute towards development of a knowledge based economy. Your Company operates on the belief that an organization should exist to serve a social purpose and enhance the lives of people connected through its business. Your Company has a CSR Policy in place which aims to ensure that your Company continues to operate its business in an economically, socially and environmentally sustainable manner, while recognizing the interests of all its stakeholders.

During the year under review, your Company spent an amount of ₹ 3.00 Lacs as against its 2% obligation (i.e. 2% of Average Net Profits of the Company for the preceding three financial years) of ₹ 2.93 Lacs for the said Financial Year.

The Annual Report on CSR activities, in terms of Section 135 of the Companies Act, 2013 ('the Act') and the Rules framed there-under,

is annexed to this report (**Annexure III**).

19. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION

There have been no material changes and commitments affecting the financial position of the company, which have occurred since 31st March 2023, being the end of the Financial Year of the Company to which financial statements relate and the date of this report.

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

During the year under review, there have been no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's future operations.

21. INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. The Internal Financial Control procedure adopted by the Company are adequate for safeguarding 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. During the year under review, the Internal Financial Controls were operating effectively and no material or serious observation has been received from the Auditors of the Company for inefficiency or inadequacy of such controls. The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which forms a part of this report.

22. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF COMPANIES ACT 2013

Your Company is a non-deposit taking NBFC. The details of Loans and Investments covered under the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 are disclosed in the Notes to the Standalone Financial Statements. Your Company has not given any Guarantee or provided any Security during the year under review. The said Loans and Investments are reviewed by Audit Committee on quarterly basis.

23. DEPOSITS

Your company is a non- deposit taking NBFC registered with RBI, thus, the said clause is not applicable to the Company as per the provisions of Companies Act, 2013 and rules framed thereunder. Further, company has not taken any deposit pursuant to the provisions of Non-Banking Financial Companies (Acceptance of Public Deposits) (Reserve Bank) Directions, 2016.

24. PARTICULARS OF CONTRACTS/ TRANSACTIONS / ARRANGEMENTS WITH RELATED PARTIES

All contracts or arrangements entered into by your Company with its related parties during the Financial Year 2022-2023 were in accordance with the provisions of the Companies Act, 2013 and the Listing Regulations. All such contracts or arrangements, which were prior approved by the Audit Committee, were in the ordinary course of business and on arm's length basis. Further, there are no transactions to be reported under Section 188 (1) of

Board's Report

the Act. Accordingly, the disclosure of Related Party Transactions as required in terms of Section 134(3)(h) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 in Form AOC -2 is not applicable for this year.

During the Financial Year 2022-2023, the Company entered into material Related Party transactions for which necessary approval has been solicited from Shareholders of the Company.

Details of transactions, contracts and arrangements entered into with related parties by the Company, during Financial Year 2022-2023, is given under Notes to Accounts annexed to Financial Statements, which forms part of this Annual Report. A statement giving details of all Related Party Transactions is placed before Audit Committee and the Board on a quarterly basis.

The Policy on materiality of Related Party Transactions and on dealing with Related Party Transactions is uploaded on the website of the Company at <https://ashikagroup.com/pdf/policies/ACCL-2022-03-Related-Party-Transaction-Policy-wef-01.04.2022.pdf>

25. CORPORATE GOVERNANCE REPORT

Your Company complies with the provisions laid down in Corporate Governance laws. It believes in and practices good corporate governance. The Company maintains transparency and also enhances corporate accountability. In compliance with the provisions of Regulation 34 of the Listing Regulations read with Schedule V to the said Regulations, the Annual Report of the Company for the Financial Year 2022-2023 contains the following:

- (i) Declaration regarding compliance to Code of Conduct by the Board Members and Senior Management Personnel;
- (ii) A certificate from a Practicing Company Secretary that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority;
- (iii) Report on the Corporate Governance and
- (iv) Practicing Company Secretaries' Certificate regarding compliance of conditions of Corporate Governance.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Regulation 34 of the Listing Regulations, the Management Discussion and Analysis Report for the year under review, is presented in a separate section, forming part of the Annual Report.

26. PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORK PLACE

The Company has in place a Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Workplace. Appropriate reporting mechanisms are in place for ensuring protection against Sexual Harassment and the right to work with dignity. Further, the Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to redress complaints received regarding sexual harassment.

During the year under review, no complaints in relation to sexual harassment at workplace have been reported.

The group sexual harassment policy is uploaded on the website of the company at www.ashikagroup.com at the given link at

https://ashikagroup.com/assets/parent/pdf/group_policies/sexualharassment.pdf

27. COMPLIANCE WITH SECRETARIAL STANDARDS OF ICSI

The Board of Directors affirms that the Company has duly complied with the applicable Secretarial Standards (SS) relating to Meetings of the Board (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India which have mandatory application during the year under review.

28. DISCLOSURES PERTAINING TO MAINTENANCE OF COST RECORDS PURSUANT TO SECTION 148(1) OF THE COMPANIES ACT, 2013

The Company is not required to maintain cost records as specified u/s 148(1) of the Companies Act, 2013 read with the applicable rules thereon for the Financial Year 2022-2023. Hence the said clause is not applicable to the Company with respect to its' nature of business.

29. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGOES

Your Company has no activity relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as stipulated in Rule 8(3) of Companies (Accounts) Rules, 2014. Hence, the requirements pertaining to disclosure of particulars relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, as prescribed under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, are not applicable to the Company.

30. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

An application was made by the Company under Insolvency and Bankruptcy Code, 2016 with NCLT, Delhi Bench against Mica Industries Limited for recovery of an amount totaling to Rs.2.49 Crores (including Principal Sum Rs. 1.85 Crores & Penal charges Rs. 41.83 lacs). The matter has been settled with MICA and the settled amount has been received and the final order disposing the application by NCLT, Delhi Bench was made on 13th April, 2023. There was no proceeding pending against the Company under IBC, 2016.

31. DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

During the financial year under review, the company has not taken from any Bank and further there stood no instance of onetime settlement with any Financial Institution.

32. 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, 2023 the applicable accounting standards had been followed along with proper explanation relating to material departures.

Board's Report

- 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, 2023 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.

33. ACKNOWLEDGEMENTS

The Directors express their deep sense of gratitude to the Government of India, Government of various states and concerned Government Departments, acknowledges the excellent support and co-operation received from exchanges, its shareholders, clients, bankers, business partners, associations and other stakeholders and place on record their sincere appreciation to its employees for their continued co-operation in realisation of the corporate goals in the years ahead.

For and on behalf of the Board of Directors

Place: Kolkata
Date: May 29, 2023

(Pawan Jain)
Executive Chairman
DIN: 00038076

(Daulat Jain)
Managing Director & CEO
DIN: 00040088

Board's Report

Annexure I

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

- (i) The ratio of the remuneration of each Executive Director to the Median Remuneration of the Employees of the Company for the Financial Year 2022-2023 and percentage increase in Remuneration of each Executive Director and Key Managerial Personnel (KMP) during the financial year 2022-2023

| Name of the Directors & KMP with Designation | Remuneration for F.Y. 2021-2022 (₹ in 000) | Remuneration for F.Y. 2022-2023 (₹ in 000) | % of Increase in Remuneration of Directors, KMP in FY 2022-2023 | Ratio of the remuneration of each director /KMP to median remuneration of the employee |
|--|--|--|---|--|
| Mr. Pawan Jain, Executive Chairman | 16911.12 | 16911.12 | Nil | 16.14 |
| Mr. Daulat Jain, Managing Director & CEO | 1250.01 | 1300.01 | 4.00 | 1.24 |
| Ms. Anju Mundhra, Company Secretary & Compliance Officer | 2757.70 | 2800.01 | 1.53 | 2.67 |
| Mr. Gaurav Jain, Chief Financial Officer | 2088.47 | 2100.00 | 0.55 | 2.00 |
| Mr. Amit Jain, Non Executive Non Independent Director (appointed w.e.f 04.08.2021) | NA | NA | Nil | Nil |

Note:

- a) The Independent Directors of the Company are entitled to sitting fees for attending Board & Committee meetings. The details of sitting fees paid to Independent Directors of the Company have been provided in the Corporate Governance Report. The ratio of remuneration and percentage increase for the Independent Directors' Remuneration is, therefore, not considered for the purpose above. No Commission or remuneration other than sitting fees is paid to any Independent Director.
- b) No Sitting fees for attending Board & Committee meeting are paid to Executive Directors and Non Executive Non Independent Director.
- c) There has been no increase in remuneration of KMP (CS & CFO), the minimal % of increase shown is because of change in calculation of salary components which in turn had reflected as increase in salary of KMP.
- d) Any effect of % or median is considered for those who have been employed for the full F.Y. and not for a part of the F.Y.
- e) Mr. Daulat Jain is Managing Director of Ashika Stock Broking Ltd, Group company w.e.f 01.05.2017 and remuneration is payable from both the companies within the highest maximum permissible limits as per Sec 197 of Companies Act, 2013 read with Schedule V of the said Act, as allowed.
- (ii) There is no major changes in salary of employee during the FY and so there is no % increase in the median remuneration of Employees in the financial year
- (iii) There were 10 permanent employees on the rolls of Company as on 31.03.2023.
- (iv) Average percentile increase made in the salaried employees other than Managerial personnel in the last financial year was 9.01 % and whereas the increase in the Managerial remuneration for the same F.Y. was 0.45%. Since there was no increase in managerial remuneration, there were no exceptional circumstances as mentioned in Rule 5(1)(viii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- (v) The explanation on the relationship between average increase in remuneration and company performances - On an average the employees received an annual increase of 10% to 20%. Exceptional performances are rewarded with higher increase in salary. The increase in remuneration is in line with the market trend. In order to ensure that remuneration reflects company's performance, the increase in % of remuneration is linked to organization performance apart from an individual's performance.
- (vi) It is hereby affirmed that the remuneration paid during the year is as per the Nomination & Remuneration Policy of the company.

For and on behalf of the Board of Directors

Place: Kolkata
Date: May 29, 2023

(Pawan Jain)
Executive Chairman
DIN: 00038076

(Daulat Jain)
Managing Director & CEO
DIN: 00040088

Board's Report

Annexure II

MR & Associates

Company Secretaries
46, B. B. Ganguly Street,
KOLKATA-700012
MOBILE No: 9831074332
Email: goenkamohan@gmail.com

Form No. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

[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"
7th Floor
Kolkata 700020
West Bengal

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 31st March, 2023 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, 2023 according to the provisions of:
 - i) The Companies Act, 2013 (the Act), amendments thereof 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) 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;
 - v) 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.
- (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as applicable;

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

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (b) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as applicable;
- (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021
- (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records, following laws are 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, as applicable

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and to the extent amended and notified from time to time.

Board's Report

The Listing Agreements entered into by the Company with The Calcutta Stock Exchange Limited, Metropolitan Stock Exchange Limited and BSE Ltd (w.e.f 1st February 2023). Further, the Company has received Listing and Trading approval for listing of 1,18,80,000 Equity Shares of Face Value of Rs. 10/- each under Direct Listing Route on the Main Board of BSE Ltd w.e.f 14th February 2023, as per BSE notice dated 9th February 2023. The company is no longer under Permitted Securities Category w.e.f 14.02.2023. It is further stated that the company has complied with the Regulation 31(1)(a) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 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.

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 **MR & Associates**
Company Secretaries
A Peer Reviewed Firm
Peer Review Certificate No.: 720/2020

[CS Sneha Khaitan Jalan]

Partner

FCS No.:F11977

C P No.:14929

UDIN: F011977E000381874

Place: Kolkata

Date: May 29, 2023

Board's Report

**(ANNEXURE – A TO THE SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023)**

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

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. As regard the books, papers, forms, reports and returns filed by the Company under the provisions referred to in

our Secretarial Audit Report in Form MR-3 the adherence and compliance to the requirements of the said provisions is the responsibility of the management. Our examination was limited to checking the execution and timeliness of the filing of various forms, reports, returns and documents that need to be filed by the Company with various authorities under the said provisions of the Act. We have not verified the correctness and coverage of the contents of such forms, reports, returns and documents.

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 **MR & Associates**
Company Secretaries
A Peer Reviewed Firm
Peer Review Certificate No.: 720/2020

[CS Sneha Khaitan Jalan]

Partner

FCS No.:F11977

C P No.:14929

Place: Kolkata

Date: May 29, 2023

UDIN: F011977E000381874

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company:

The Corporate Social Responsibility (CSR) Policy of Ashika Credit Capital Limited has been developed in accordance with Section 135 of Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014, and Schedule VII of Companies Act, 2013, as amended. The organization has taken the key CSR initiatives with a long-term view. Initiatives that are sustainable, have long-term benefits to the society at large and is aligned with the business practices, but which do not result in business benefits. The CSR Policy, formulated in alignment with the vision of the Company, lays down guidelines and mechanisms to be adopted by the Company in order to carry out CSR Projects/ programs.

2. Composition of CSR Committee:

| Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|------------------|--|--|--|
| 1 | Sonu Jain | Independent Director, Chairperson of CSR Committee | 1 | 1 |
| 2 | Daulat Jain | Managing Director, Member of CSR Committee | | 1 |
| 3 | Sagar Jain | Independent Director, Member of CSR Committee | | 1 |

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

CSR Committee: <https://www.ashikagroup.com/pdf/composition/Composition-of-Committe-final.pdf>

CSR Policy: <https://ashikagroup.com/pdf/policies/ACCL-2022-03-Corporate-Social-Responsibility-Policy-14.02.2021.pdf>

There are no ongoing CSR projects or projects approved by Board

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

N.A.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

| Sl. No. | Financial Year | Amount available for set-off from preceding financial years (in ₹) | Amount required to be setoff for the financial year, if any (in ₹) |
|---------|----------------|--|--|
| 1 | | Nil | |
| Total | | Nil | |

6. Average net profit of the company as per section 135(5):

₹ 146.62 Lacs

7. (a) Two percent of average net profit of the company as per section 135(5)

₹ 2.93 Lacs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

Nil

(c) Amount required to be set off for the financial year, if any:

Nil

(d) Total CSR obligation for the financial year (7a+7b-7c):

₹ 2.93 Lacs

8. (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year. (in ₹) | Amount Unspent (in ₹) | | | | |
|---|---|------------------|---|--------|------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| 3.00 Lacs | N.A. | | N.A. | | |

Board's Report

(b) Details of CSR amount spent against ongoing projects for the financial year:

| Sl. No. | Name of the Project. | Item from the list of activities in Schedule VII to the Act. | Local area (Yes/No). | Location of the Project | | Project Duration | Amount allocated for the project (in ₹) | Amount spent in the current financial Year (in ₹) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹) | Mode of Implementation - Direct (Yes/No). | Mode of Implementation - Through Implementing Agency | |
|---------|----------------------|--|----------------------|-------------------------|----------|------------------|---|---|--|---|--|-------------------------|
| | | | | State | District | | | | | | Name | CSR registration Number |
| 1 | N.A. | | | | | | | | | | | |
| | TOTAL | N.A. | | | | | | | | | | |

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

| Sl. No. | Name of the Project. | Item from the list of activities in Schedule VII to the Act. | Local area (Yes/No). | Location of the Project | | Amount spent for the project (in ₹) | Mode of Implementation - Direct (Yes/No). | Mode of Implementation - Through Implementing Agency | |
|---------|----------------------|--|----------------------|-------------------------|----------|-------------------------------------|---|--|-------------------------|
| | | | | State | District | | | Name | CSR registration Number |
| 1 | Roti On Wheels | Eradicating hunger, poverty and malnutrition | Yes | West Bengal | Kolkata | 3.00 Lacs | No | Santosh Lalita Jain Foundation | CSR00019977 |
| | TOTAL | | | | | | | | |

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year: ₹ 3.00 Lacs

(8b+8c+8d+8e)

(g) Excess amount for set off, if any

| Sl. No. | Particulars | Amount (in ₹) |
|---------|---|---------------|
| (i) | Two percent of average net profit of the company as per section 135(5) | 2.93 Lacs |
| (ii) | Total amount spent for the Financial Year | 3.00 Lacs |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 0.07 Lacs |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | Nil |

Note : Excess amount not to be carried forward for set-off in succeeding Financial Years.

9. (a) Details of Unspent CSR amount for the preceding three financial years:

| Sl. No. | Preceding Financial Year. | Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.) | Amount spent in the reporting Financial Year (in Rs.) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any | | | Amount remaining to be spent in succeeding financial years. (In Rs.) |
|---------|---------------------------|--|---|---|----------------|------------------|--|
| | | | | Name of the Fund | Amount (in Rs) | Date of transfer | |
| 1 | Nil | | | | | | |
| | TOTAL | Nil | | | | | |

Board's Report

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|---------|-------------|----------------------|---|------------------|---|---|--|---|
| Sl. No. | Project ID. | Name of the Project. | Financial Year in which the project was commenced | Project duration | Total amount allocated for the project (in Rs.) | Amount spent on the project in the reporting Financial Year (in Rs) | Cumulative amount spent at the end of reporting Financial Year. (in Rs.) | Status of the project - Completed / Ongoing |
| 1 | | | | | | | | N.A. |

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:

(Asset-wise details).

(a) Date of creation or acquisition of the capital asset(s).

N.A.

N.A.

(b) Amount of CSR spent for creation or acquisition of capital asset

N.A.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

N.A.

(d) Provide details of the capital asset(s) created or acquired (Including complete address and location of the capital asset).

N.A.

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

N.A.

For and on behalf of the Board of Directors

Place: Kolkata
Date: May 29, 2023

(Sonu Jain)
Chairperson, CSR Committee
DIN: 07267279

(Daulat Jain)
Managing Director & CEO
DIN: 00040088

Corporate Governance Report

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



The Financial Year 2022-23 was a year of recovery from the adverse impacts of COVID-19 pandemic. The Indian economy successfully faced the challenges posed



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

Ashika Credit Capital Limited ("the Company") has put in place a formalised system of Corporate Governance. Its' governance framework enjoins the highest standards of ethical and responsible conduct of business to create value for all stakeholders. The Company has always believed in complying with the law not only in letter but in spirit as well. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations'), as amended from time to time, including relaxations granted by the Ministry of Corporate Affairs ('MCA') and Securities and Exchange Board of India ('SEBI') from time to time.

2) BOARD OF DIRECTORS

The Board is the focal point and custodian of corporate governance for the Company. The Board also provides direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfils stakeholders' aspirations and societal expectations. The Board, as part and parcel of its functioning, annually reviews its role, evaluates its performance and also that of the Board Committees and the Directors.

The Company is in compliance with the provisions of Section 149 of the Act and Regulation 17 of the Listing Regulations, as amended from time to time. The Board of Directors of the Company has an optimum

Corporate Governance Report

combination of Executive and Non-Executive Directors who possess adequate qualifications, knowledge, expertise and experience to provide strategic guidance to the Company.

As on 31st March, 2023, the Board comprised of Six (6) members, out of whom two are Executive Directors, one is a Non-Executive Director and remaining three are Non-Executive Independent Directors, including Woman Director, as per applicable provisions of Acts, Rules and Regulations, made thereunder. The Board has a balance of skills, experience and diversity of perspectives appropriate to the Company.

COMPOSITION, CATEGORY AND OTHER RELEVANT DETAILS OF DIRECTORS:

As per Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, every listed entity not having regular Non -Executive Chairperson shall have at least half of the board members as Independent Directors. All the Independent Directors of the Company have been appointed as per the provisions of the Companies Act, 2013 (hereinafter referred to as 'the Act'). All the Non-

Executive Directors are eminent professionals and bring the wealth of their professional expertise and experience to the management of the Company. None of the Directors is related to each other except Mr. Pawan Jain and Mr. Daulat Jain, being relatives and promoter directors.

The Company Secretary provides Agenda and relevant notes well in advance to all Board & committee members. The Company had provided Video/Teleconferencing facilities to Directors to participate in meetings.

The Board of Directors meet at least once in every quarter and also as and when required. During the Financial Year ended 31st March, 2023, five Board Meetings were held on 17th May, 2022, 26th May, 2022, 6th August, 2022, 11th November, 2022 and 13th February, 2023. Further, Board also passes Resolution by Circulation as and when required. The maximum gap between two Board Meetings did not at any time, exceed the time gap of 120 days. The composition and category of directors as on 31st March, 2023 is as prescribed below:

| SI No | Name of Director & DIN | Composition and Category | No. of directorship/committee position held in public Companies including ACCL | | | Attendance at the meeting | | No of shares equity held* |
|-------|--------------------------------------|--|--|----------|---------------|--------------------------------|-------------------|---|
| | | | Indian Public Ltd company @ | Member # | Chairperson # | No. of Board Meetings attended | Last AGM attended | |
| 1 | Mr. Pawan Jain (DIN: 00038076) | Promoter, Executive Chairman (Whole Time Director) | 2 | - | - | 5 | Y | 789000 holding in capacity of Karta of Pawan Jain - HUF |
| 2 | Mr. Daulat Jain (DIN: 00040088) | Promoter, Executive Director (Managing Director & CEO) | 3 | - | - | 5 | N | 450000 |
| 3 | Mr. Amit Jain (DIN: 00040222) | Non Executive Director | 2 | - | - | 3 | Y | Nil |
| 4 | Mr. Sagar Jain (DIN: 00392422) | Non Executive Independent Director | 2 | 2 | 1 | 5 | Y | Nil |
| 5 | Ms. Suparna Sengupta (DIN: 07689952) | Non Executive Independent Director | 1 | 2 | - | 4 | Y | Nil |
| 6 | Ms. Sonu Jain (DIN: 07267279) | Non Executive Independent Director | 3 | 3 | 1 | 5 | Y | Nil |

@ 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(1)(b) of SEBI (LODR) Regulations, 2015

* None of the above directors are having directorship in any listed company except Ashika Credit Capital Ltd. Further none of the directors held any convertible instruments, warrants, during the financial year 2022-2023.

During the year under review, no Independent Director of the Company resigned before the expiry of his/her tenure.

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

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

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| SI No | Name of Director | Dates of Meeting & Attendance in Board Meeting | | | | | Date of Meeting & Attendance in Annual General Meeting held through VC/OAVM |
|-------|---------------------|--|------------|------------|------------|------------|---|
| | | 17.05.2022 | 26.05.2022 | 06.08.2022 | 11.11.2022 | 13.02.2023 | 03.09.2022 |
| 1 | Mr. Pawan Jain | Yes | Yes | Yes | Yes | Yes | Yes |
| 2 | Mr. Daulat Jain | Yes | Yes | Yes | Yes | Yes | No |
| 3 | Mr. Amit Jain | Yes | No | Yes | No | Yes | Yes |
| 4 | Mr. Sagar Jain | Yes | Yes | Yes | Yes | Yes | Yes |
| 5 | Ms Suparna Sengupta | Yes | Yes | No | Yes | Yes | Yes |
| 6 | Ms Sonu Jain | Yes | Yes | Yes | Yes | Yes | Yes |

INDEPENDENT DIRECTORS:

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act along with rules framed thereunder. All Independent Directors of the Company have been appointed as per the provisions of the Act, Listing Regulations and the Nomination & Remuneration policy of the Company. In terms of the provisions of Section 149 of the Companies Act, 2013 and Rules framed thereunder, the Independent Directors of the Company are appointed for a period of five/three years by the Members of the Company at the General Meetings.

A formal letter of appointment setting out the terms and conditions of appointment, roles and functions, responsibilities, duties, fees and remuneration, liabilities, resignation / removal, etc., as specified under Schedule IV to the Companies Act, 2013 has been issued to each of the Independent Directors post their appointment. The terms and conditions of such appointment of the Independent Directors are also made available on the website of the Company at https://ashikagroup.com/images/blog_images/2019-05-09_8383_appointment_IndependentDirector.pdf

The said Independent Directors have submitted disclosure confirming that they meet the criteria of independence as laid down under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, as amended. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of Listing Regulations, they have also confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, Board confirms that the Independent Directors fulfill the conditions specified in the SEBI (LODR) Regulations, 2015 and are independent from the management. Further, names of Independent Directors are included in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTOR

At the time of induction, the Company familiarizes its Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company through various

programmes. Thereafter, the Independent Directors are provided with necessary documents, reports, internal policies and updates to familiarise them with the Company's business, policies, procedures and practices at various Meetings held during the year. During the year under review, the Company conducted Familiarization Programmes for the Independent Directors of the Company. The detail of such Programmes has been uploaded on the website of the Company at www.ashikagroup.com and is available at the link https://ashikagroup.com/pdf/familiarization_programme/familiarisation-programme-2022-2023.pdf

CORE SKILLS/ EXPERTISE/ COMPETENCIES OF BOARD OF DIRECTORS

The Board ensures that the expertise, knowledge and experience needed to effectively steer the Company forward are represented on the Board. The approach for selection and appointment of Directors on the Board ensures that their specific skills, knowledge and experience fulfill a particular skill – set requirement of the Board. The Board of directors of the Company comprise of eminent qualified professionals, who have significant amount of skills /expertise / competencies and thus make valuable contributions to the Board. The Board identifies the following core skills/ expertise / competencies that it perceives it ought to have in the process of governing the Company. The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board as above and whether the person is a proven leader in running a business that is relevant to the Company's business. In compliance with SEBI (LODR) Regulations, 2015, the Board of Directors of the Company has identified the list of core skills / expertise / competencies of the Board of Directors in the context of the Company's business and its sector for effective functioning, which are currently available with the Board along with the names of the directors on the Board who possess such skills/ expertise/ competence:

| Name of Director | Critical and innovative thoughts | Regulatory Compliance, Legal and Stakeholders relationship | Financial expertise & Risk Oversight | Board service and governance | Understanding of Business / Industry |
|------------------|----------------------------------|--|--------------------------------------|------------------------------|--------------------------------------|
| Pawan Jain | √ | √ | √ | √ | √ |
| Daulat Jain | √ | √ | √ | √ | √ |
| Amit Jain | √ | √ | √ | √ | √ |
| Sagar Jain | √ | √ | √ | √ | √ |
| Sonu Jain | √ | √ | √ | √ | √ |
| Suparna Sengupta | √ | - | √ | √ | - |

Corporate Governance Report

The chart/matrix setting out the core skills/ expertise/ competencies identified by Board of Directors in context of the of company's Business and sector as required for its smooth functioning and those actually available with each Board members have been highlighted below :

| Skills / Expertise / Competencies | Details |
|--|---|
| Critical and innovative thoughts | Using an independent, reflective thought process to evaluate issues arising in business. Further, creative thinking involves a more open approach to new ideas, and critical thinking involves a more analytical thought process. |
| Regulatory Compliance, Legal and Stakeholders relationship | <ul style="list-style-type: none"> • Devise systems for compliance with a variety of regulatory requirements. • Knowledge and experience in regulatory and governance requirements, protecting and managing all stakeholders' interests in the Company, • Maintaining management accountability and building long-term effective stakeholder relationships. • Experience in handling legal proceeding and able to guide company in right direction. |
| Financial expertise & Risk Oversight | <ul style="list-style-type: none"> • Accurate Financial Reporting and Robust Auditing are critical to its success. • Directors to have an understanding of Finance and Financial Reporting Processes; • Understand and Oversee various risks facing the Company and ensure that appropriate policies and procedures are in place to effectively manage risk |
| Board service and governance | Service on a public company board to develop insights about maintaining board and management accountability, protecting shareholder interests, and observing appropriate governance practices |
| Understanding of Business / Industry | <ul style="list-style-type: none"> • Extended leadership experience, resulting in a practical understanding of organizations, processes, strategic planning, and risk management. • Demonstrated strengths in developing talent, planning succession, and driving change and long-term growth. • Analyzing complex and detailed information and providing innovative solutions and striking a balance between agility and consistency. • Expertise in the field of Financial Services |

(3) COMMITTEES OF THE BOARD

The Committees constituted by the Board focus on specific areas and take informed decisions within the framework of delegated authority, and make specific recommendations to the Board on matters within their areas or purview. The decisions and recommendations of the Committees are placed before the Board for consideration or approval, as required. The functioning of these Committees is regulated by the mandatory terms of reference, roles and responsibilities and powers as provided in the Companies Act, RBI Regulations, and the Listing Regulations. The Minutes of the meetings of all Committees are placed before the Board for noting. The Company Secretary acts as the Secretary of these Committees. As mandated by the Listing Regulations, the Company has constituted an Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee.

(I) AUDIT COMMITTEE (AC):

(a) BRIEF DESCRIPTION OF TERMS OF REFERENCE:

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 177 of the Companies Act, 2013 read with the rules made thereunder and Regulation 18 read with Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The company has a well defined Audit committee, comprising of 3 (three) Directors as members of the committee, all being Independent, non Executive Directors as on 31st March 2023. The Company Secretary is the Secretary to the Committee. They possess sound knowledge on accounts, audit, finance, taxation, internal controls etc. The Audit Committee acts as an interface between the statutory and internal auditors and the Board of Directors. The Committee oversees the work carried out in the financial reporting process by the Management, the internal auditor, the statutory auditor and notes the processes and safeguards employed by each of them.

The terms of reference of the Audit Committee is in line with the regulatory requirements and, inter alia, are as follows:

- 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.
- Recommendation to the 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:
 - 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.

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- All Related Party transactions and subsequent material modifications thereof shall require prior approval of the committee
- Granting 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 and subject to compliances applicable;
- 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.
- Reviewing 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.

- To review the utilisation of loans and or/advances from/ investment by the holding company in the subsidiary, exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments.
- The committee shall review the compliances in regard to the provisions of regulation 9 and 9A of SEBI (Prohibition of Insider Trading) Regulations 2015 on an annual basis or atleast once in a Financial year and verify that the system of internal control are adequate and are operating efficiently

In addition, the Audit Committee also mandatorily reviews the following:

- Management discussion and analysis of financial condition and results of operations;
- Management letters / letters of internal control weaknesses, if any, issued by the Statutory Auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief Internal Auditor

The Audit Committee has been vested, inter alia, with the following powers:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary

(b) COMPOSITION, MEETING AND ATTENDANCE DURING THE YEAR:

There were 4 meetings of the Committee held during the year ended 31st March, 2023. These meetings were held on 26th May, 2022, 6th August, 2022, 11th November, 2022 and 13th February, 2023. The requisite quorum was present for all the meetings. All decisions at the Audit Committee meetings were taken unanimously. Further, the representatives of the Statutory Auditors, Internal Auditor, CFO are permanent invitees to the Audit Committee Meetings. The Internal Auditor reports directly to the Audit Committee. The name and category of Directors as Members and their attendance at the aforesaid Audit Committee Meetings are detailed below:

| Name of member | Category – Directorship | Date of Meeting and Attendance in meeting | | | |
|----------------------|--|---|------------|------------|------------|
| | | 26.05.2022 | 06.08.2022 | 11.11.2022 | 13.02.2023 |
| Mr. Sagar Jain | Chairman, Non-Executive Independent Director | Yes | Yes | Yes | Yes |
| Ms. Suparna Sengupta | Member, Non-Executive Independent Director | Yes | Yes | Yes | Yes |
| Ms. Sonu Jain | Member, Non-Executive Independent Director | Yes | Yes | Yes | Yes |

Corporate Governance Report

(II) NOMINATION AND REMUNERATION COMMITTEE (NRC):

a) BRIEF DESCRIPTION AND TERMS OF REFERENCE:

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of the Listing Regulations. Apart from the above, the Committee also carries out such functions/ responsibilities entrusted on it by the Board of Directors from time to time.

The Nomination and Remuneration Committee comprises of 3 (three) Directors as members of the committee, all being Independent, Non Executive Directors as on 31st March 2023. The Company Secretary is the Secretary to the Committee.

The terms of reference of the NRC is in line with the regulatory requirements and, inter alia are as follows —

- 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 structure is commensurate with the requirement of the company
- The quorum for meeting of the NRC shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance
- NRC shall meet as and when required, provide that the NRC shall meet atleast once in a year.
- NRC shall recommend to the board, all remuneration, in whatever form, payable to senior management.
- NRC shall lay down a chart/matrix listing the core skills/ expertise/ competencies identified by the Board of Directors as required in the context of the company's business(es) and sectors for the Board to function effectively and those actually available with the Board.

b) COMPOSITION, MEETING AND ATTENDANCE DURING THE YEAR:

There were 2 meetings of the Committee held during the year ended 31st March, 2023. These meetings were held on 17th May, 2022 and 25th January, 2023. The requisite quorum was present for all the meetings. The name and category of Directors as Members and their attendance at the aforesaid NRC meeting is detailed below:

| Name of member | Category – Directorship | Date of Meeting and Attendance in meeting | |
|----------------------|--|---|------------|
| | | 17.05.2022 | 25.01.2023 |
| Mr. Sagar Jain | Chairman, Non-Executive Independent Director | Yes | Yes |
| Ms. Suparna Sengupta | Member, Non-Executive Independent Director | Yes | Yes |
| Ms. Sonu Jain | Member, Non-Executive Independent Director | Yes | Yes |

c) PERFORMANCE EVALUATION OF THE BOARD, COMMITTEES AND DIRECTORS:

The Annual Performance Evaluation for the Financial Year 2022-2023 of the Board, Individual Directors (including Managing Director/ Executive Director, Chairperson and Independent Director of the Company), Committees of the Board, Self Evaluation of Individual directors, excluding the director being evaluated and Peer-to-peer Evaluation has been conducted pursuant to the applicable provisions of Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Guidance Note issued by SEBI pertaining to Board evaluation process and also Guidance Note on Board Evaluation process issued by Institute of Company Secretaries of India (ICSI) in August, 2020. The Performance Evaluation was carried out by NRC, Independent Directors and Board in their respective meetings, for the Financial Year 2022-2023.

The detailed process of Performance Evaluation has been explained in the Evaluation Kit. Detailed questionnaires were sent to each Director for assessment of Board, Committees, Independent Director, Non Independent Director, Managing Director /Executive Director/Chairperson, Self Evaluation and Peer-to-peer Evaluation of Directors. After filling in the questionnaires, the directors return the same to the Chairman of Nomination and Remuneration Committee who, in turn, had prepared a consolidated report alongwith average scoring based on parameters as specified in the questionnaires, represented by graph on the basis of data consolidated and analysed from his end. The Chairman has individual discussion with each director and noted their feedback and comments for Evaluation. The report prepared was tabled at the respective meetings of the Independent Director and Nomination and Remuneration Committee and before Board. Further, comments received from meetings of both Independent Directors & NRC were discussed in Board meeting along with Evaluation carried out by Board itself i.e. Self Evaluation of Board, Committee, Independent and non independent directors including Chairman /Managing Director. The terms of appointment/ re-appointment of Independent Director, whether to extend or continue, is on basis of the report of performance evaluation.

Chairman further placed before the board that performance Evaluation of all directors has been carried out by NRC and discussed in their meeting held on 25th January, 2023. Further, Independent Director has presented their report to the Board based on the evaluation conducted by them in their respective meeting held on 25th January, 2023. The Board had a detailed discussion based on the reports received by it from the Nomination & Remuneration committee and the Independent Director meeting. On the basis of consolidated views, suggestion and reports with score shared by chairman

Corporate Governance Report

of NRC after collating from all members, Board has conducted its self-evaluation, evaluation of committees of the Board and individual directors including Independent Directors, excluding the director being evaluated.

Meeting of Independent Directors

Pursuant to Schedule IV of the Act and the Rules made thereunder and Regulation 25 of the Listing Regulations, a meeting of the Independent Directors without the presence of Non-Independent Directors and members of the Management of the Company was held on 25th January, 2023, inter alia to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties; and other related matters.

The Independent Directors have expressed satisfaction at the robustness of the evaluation process; Board also had elaborated discussion on the Performance review/Evaluation done in the ID meeting and the Nomination & Remuneration Committee meeting. Also, Board reviews their respective reports.

The key objectives of conducting the Board Evaluation are to ensure that the Board and various Committees of the Board have optimum composition of Directors and that they have been functioning collectively to achieve common business goals of the company. Similarly, the key objective of conducting performance evaluation of the Directors through individual assessment and peer assessment is to ascertain if the Directors fulfill their respective duties & obligations and contribute to achieving the common business goal of the Company.

The consolidated Evaluation Report of the Board, based on inputs received from the Directors and scores shared by chairman of NRC after collating from all members and as per report presented by Independent Directors was discussed at the meeting of the Board held on 13th February 2023.

(III) STAKEHOLDERS' RELATIONSHIP COMMITTEE (SRC):

a) BRIEF DESCRIPTION OF TERMS OF REFERENCE:

The Stakeholders' Relationship Committee (SRC) has been constituted in line with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 20 of Listing Regulations.

The SRC comprises of 3 (three) Directors as members of the committee, all being Independent, Non Executive Directors as on 31st March 2023. The Company Secretary is the Secretary to the Committee.

The SRC considers and resolves the grievances of our shareholders, debenture holders and other security holders, including complaints relating to non-receipt of annual report, transfer and transmission of securities, non-receipt of dividends/interests, issue of new/duplicate certificates, general meetings and such other grievances as may be raised by the security holders from time to time.

The terms of reference along with role of the SRC is in line with the regulatory requirements and, inter alia are as follows

- To specifically look into various aspects of interest of shareholders, debenture holders and other security holders.
- Atleast three directors, with atleast one being an independent director shall be member of the committee.
- The Chairperson of the Stakeholders Relationship Committee shall be present at the annual general meetings to answer queries of the security holders.
- The Stakeholders Relationship Committee shall meet as and when required, provide that SRC shall meet atleast once in a year.

The role of the committee shall inter-alia include the following:

- (1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

b) Composition, meeting and attendance during the year:

There was one meeting of the Committee held on 17th May, 2022 during the financial year 2022-2023. The requisite quorum was present for all the meetings. The name and category of Directors as Members and their attendance at the aforesaid SRC meeting is detailed below:

| Name of member | Category - Directorship | Date of Meeting and Attendance in meeting |
|----------------------|---|---|
| | | 17.05.2022 |
| Ms. Sonu Jain | Chairperson, Non-Executive Independent Director | Yes |
| Mr. Sagar Jain | Member, Non-Executive Independent Director | Yes |
| Ms. Suparna Sengupta | Member, Non-Executive Independent Director | Yes |

COMPLIANCE OFFICER: Ms. Anju Mundhra, Company Secretary, functions as the Compliance Officer. She has also been appointed as the Nodal Officer in line with statutory requirements.

GRIEVANCES DETAILS:

| Particulars | 2022-2023 |
|---|-----------|
| Number of shareholder's complaints at the beginning of the year | Nil |
| Number of shareholder's complaints received during the year | Nil |
| Number of complaints not solved to the satisfaction of shareholders | Nil |
| Number of pending complaints at the end of the year | Nil |

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- c) SEBI COMPLAINTS REDRESS SYSTEM (SCORES):** The Company has registered itself on SEBI Complaints Redressal System - 'SCORES' and endeavors to resolve all investor complaints received through SCORES. During the Financial Year 2022-2023, the Company has not received any investor complaints through SCORES.

It is confirmed that there was no request for registration of share transfers / transmissions lying pending as on 31st March, 2023 and there were no requests for issue of duplicate certificates, etc., received from the shareholders of the Company for the Financial Year 2022-2023.

(IV) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR):

a) Brief description and terms of reference:

The Corporate Social Responsibility Committee has been constituted in line with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014 and amendments thereof.

The CSR Committee comprises of 3 (three) Directors as members of the committee, comprising of two Independent Non-Executive directors and one Executive Director as its' member as on 31st March, 2023.

The purpose of the CSR Committee is to formulate and recommend to the Board, a Corporate Social Responsibility Policy, which shall indicate the initiatives to be undertaken by the Company, recommend the amount of expenditure the Company should incur on Corporate Social Responsibility ('CSR') activities and to monitor from time to time the CSR activities and Policy of the Company.

The Company's CSR Policy is comprehensive and is in alignment with the requirements of the Act. The Policy can be accessed at the Company's website at <https://ashikagroup.com/pdf/policies/ACCL-2022-03-Corporate-Social-Responsibility-Policy-14.02.2021.pdf> and the CSR Report forms an integral part of the Board's Report. The terms of reference are as follows:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act 2013 from time to time ;
- To recommend the amount of expenditure to be incurred on the activities undertaken;
- To monitor the Corporate Social Responsibility Policy of the company from time to time.
- The Corporate Social Responsibility Committee of the Board ('CSR Committee') is responsible for formulating and recommending to the Board an annual action plan , which shall include list of projects and programs to be undertaken within the purview of Schedule VII of the Companies Act, 2013, manner of execution of such projects, modalities of fund utilization, monitoring and reporting mechanism for the projects, and details of need and impact assessment, if any, for the projects to be undertaken.

b) Composition, meeting and attendance during the year:

There was 1 meeting of the Committee held on 6th August, 2022 during the Financial Year ended 31st March, 2023. The requisite quorum was present for all the meetings. The name and category of Directors as Members and their attendance at the aforesaid CSR meeting is detailed below:

| Name of member | Category – Directorship | Date of Meeting and Attendance in meeting |
|-----------------|---|---|
| | | 06.08.2022 |
| Ms. Sonu Jain | Chairperson, Non-Executive Independent Director | Yes |
| Mr. Daulat Jain | Member, Executive Director | Yes |
| Mr. Sagar Jain | Member, Non-Executive Independent Director | Yes |

(V) OTHER COMMITTEES:

Company has formed several other committees as per RBI norms and for ease of doing business like Asset Liability Management Committee and Risk Management Committee (w.e.f 1st October 2022 in terms of RBI Circular- Circular RBI/2021-22/112 DOR.CRE.REC.No.60/03.10.001/2021-22 dated 22nd October, 2021). Pursuant to the provisions of Companies Act, 2013, other committees have also been constituted like Finance Committee and Share Transfer Committee. These committees meet as and when required.

(4) REMUNERATION OF DIRECTORS:

NOMINATION & REMUNERATION POLICY:

In compliance with the requirements of Section 178 of the Companies Act, 2013, Rules framed thereunder and pursuant to the provisions of Regulation 19(4) of SEBI (LODR) Regulations, 2015, the Board of Directors of the Company has adopted a Nomination and Remuneration Policy for the Directors, Key Managerial Personnel (KMP), Senior Management Personnel (SMP), Functional Heads and other employees of the Company. The Policy enables the Company to attract, retain and motivate employees to achieve results and also provides criteria and qualifications for appointment of Executive and Non-Executive Directors, KMPs and SMPs along with remuneration paid/payable to them. The said policy has been uploaded at the website of the Company www.ashikagroup.com and is available at the link <https://ashikagroup.com/pdf/policies/2022-06-Nomination-and-Remuneration-Policy.pdf>

Further, in terms of the recent amendments in Listing Regulations, the existing Nomination & Remuneration Policy of the Company has been amended. The revised Nomination & Remuneration Policy shall be effective from 1st June, 2023 and is uploaded at the link <https://ashikagroup.com/pdf/policies/Nomination&Remuneration-Policy-01.06.2023.pdf>

None of the Non-Executive Directors have any pecuniary relationship or transactions with the Company and do not hold any shares in the company.

CRITERIA OF MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS:

The Non-Executive Independent Directors of the Company are remunerated only through payment of sitting fees for attending the meetings of Board of Directors, committees of Board of Directors and other meetings of Directors, as and when applicable. No sitting fee is paid to Non-Executive Non-Independent Director of the company. The criterion for making payments to Non-Executive directors of the Company are disseminated on the website of the company at <https://ashikagroup.com/pdf/policies/ACCL-2022-03-Criteria-for-payment-to-NED.pdf>

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DISCLOSURES WITH RESPECT TO REMUNERATION:

The remuneration package for the Executive Directors is recommended by the Nomination & Remuneration Committee and approved by the Board & Shareholders within the provisions of Companies Act 2013 read with rule thereon. The Committee recommends the remuneration package taking into consideration the remuneration practices of companies of similar size and stature and the industry standards. The remuneration payable to the Executive Directors of the Company consists of various components. The fixed pay consists of salary, allowances, perquisites, including bonus and also contribution to PF. The NRC

recommends to the Board, the quantum of remuneration for EDs based upon the outcome of the evaluation process and overall contribution to the Company. No Stock Option has been granted to Directors and the Company does not have any Employee Stock Option Scheme.

The detailed break up of remuneration forms part of the Notice of Financial Year 2022-2023 and informed to shareholders. Remuneration payable to Executive Director is recommended by Nomination and Remuneration Committee and approved by Board of Directors and shareholders. No sitting fee is being paid to the Executive Directors.

REMUNERATION PAID TO DIRECTORS FOR THE FINANCIAL YEAR 2022-2023:

(Amount in Rs)

| Name | Salary p.a. | Sitting fees | Total | Number of shares held as on 31.03.2023 |
|--|-------------|--------------|-------------|--|
| Mr. Pawan Jain, Executive Chairman (WTD) | 1,69,11,120 | N.A. | 1,69,11,120 | 789000, as Karta of Pawan Jain HUF |
| Mr. Daulat Jain, MD & CEO @ | 13,00,008 | N.A. | 13,00,008 | 450000 |
| Mr. Sagar Jain | N.A. | 1,40,000 | 1,40,000 | Nil |
| Ms. Suparna Sengupta | N.A. | 1,15,000 | 1,15,000 | Nil |
| Ms. Sonu Jain | N.A. | 1,40,000 | 1,40,000 | Nil |
| Mr. Amit Jain | N.A. | N.A. | N.A. | Nil |

@ In case of payment of remuneration to Executive Director, the perquisites shall be evaluated as per the Income Tax Rules wherever applicable. In the absence of any such rules the perquisites shall be evaluated at actual cost. Managerial personal shall be eligible for perquisite as per applicable provision of Schedule V of Companies Act 2013, which shall be falling outside the purview of the approved ceiling limit of remuneration.

No benefits, other than the above, are given to the Directors. No Performance linked incentives/ severance fees/ commission are given to Directors. The appointments of executive directors are governed by terms and conditions as executed with them at the time of appointment/ re-appointment. Further, 30 days notice period is applicable. The Company does not have any Stock Options' Scheme for its Directors or employees, presently.

(5) GENERAL BODY MEETINGS:

a) The details of last three Annual General Meetings held are as follows:

| Date and Day | Venue | Time | Number of Special resolutions passed |
|--------------------------------|--|------------|--------------------------------------|
| Saturday, 3rd September, 2022 | Meeting held through Video Conferencing at Registered office of the Company at Trinity, 7 th Floor, 226/1, A.J.C. Bose Road, Kolkata 700020 | 12 Noon | 2 (Two) |
| Saturday, 18th September, 2021 | Meeting held through Video Conferencing at Registered office of the Company at Trinity, 7 th Floor, 226/1, A.J.C. Bose Road, Kolkata 700020 | 11:30 A.M. | 2 (Two) |
| Saturday, 5th September, 2020 | Meeting held through Video Conferencing at Registered office of the Company at Trinity, 7 th Floor, 226/1, A.J.C. Bose Road, Kolkata 700020 | 11:30 A.M. | Nil |

All resolutions passed at the preceding Annual General Meeting were passed by the requisite majority of shareholders.

The following are the special resolutions passed at the AGM held in the last three years:

| AGM Held on | Special resolution passed | Summary |
|----------------------------------|---------------------------|--|
| 3 rd September, 2022 | Yes (Two) | To consider and approve the re-appointment of Mr. Pawan Jain (DIN: 00038076) as Executive Chairman & Whole Time Director (KMP) of the Company and approve his remuneration |
| | | To consider and approve the re-appointment of Mr. Daulat Jain (DIN: 00040088) as Managing Director & CEO (KMP) of the Company and approve his remuneration |
| 18 th September, 2021 | Yes (Two) | To re-appoint Ms. Suparna Sengupta (DIN: 07689952) as Independent Director of the Company for a second term of 3 consecutive years, not liable to retire by rotation |
| | | To re-appoint Ms. Sonu Jain (DIN: 07267279) AS Independent Director of the Company for a second term of 3 consecutive years, not liable to retire by rotation |
| 5 th September, 2020 | NIL | Nil |

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- b) No Extra-ordinary General Meeting of the shareholders was held during the financial year under review.
- c) No resolutions were passed through postal Ballot during Financial Year 2022-2023

(6) MEANS OF COMMUNICATION:

a) Financial Results:

Annual Reports, notice of the meetings and other communications to the Shareholders are generally sent through e-mail, post or courier, as may be applicable.

Pursuant to relevant MCA and SEBI Circulars, the Annual Report for Financial Year 2021-2022 and Notice of 29th AGM of the Company has been sent to the Members at their registered e-mail addresses in accordance with MCA and SEBI Circulars.

Quarterly, half-yearly and yearly financial results of the Company are published as per the requirements of Regulation 33 & 47 of the Listing Regulations in leading newspapers i.e., Financial Express (all editions)/ Business Standard (all editions) and Arthik Lipi (Kolkata edition). The financial results, and other reports/intimations required under the Listing Regulations are filed with BSE Limited (BSE), Metropolitan Stock Exchange of India Limited (MSEI) and The Calcutta Stock Exchange Limited. (CSE) and also uploaded on the Company's website- www.ashikagroup.com.

The Company discloses to the Stock Exchanges, information required to be disclosed under Regulation 30 read with Part A of Schedule III of the Listing Regulations, including material

information which have a bearing on the performance/ operations of the Company or which is price sensitive in nature and accordingly intimated/uploaded with exchanges.

Website: The Company has its functional website, www.ashikagroup.com, wherein all details / information of interest to various stakeholders, including business of the company, Financial Results, Annual reports, Shareholding Pattern, Corporate Governance report etc are uploaded at a dedicated section under "Investor Relations". Company's policies are also updated on the website of the company.

- b) News press releases: During the financial year under review, there were no such news releases.
- c) The presentations made to institutional investors or to the Analysts: There were no presentations made to any institutional investors and angel investors during the financial year under review.

(7) GENERAL SHAREHOLDER INFORMATION:

- a) **Annual General Meeting- date, time and venue** : The 30th Annual General Meeting (AGM) of the company shall be held through Video Conferencing and details are provided in the Notice to AGM.

As such, there is no requirement to have a venue for the AGM.

- b) **Financial Year** : 1st April, 2022 to 31st March, 2023
- c) **Date of book closure** : As mentioned in the notice calling the 30th AGM
- d) **Dividend payment date** : No Dividend has been recommended by Board of Directors for the Financial Year 2022-2023

e) Listing on Stock Exchanges with the Scrip Code :

| 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 of India Limited (MSEI) | Vibgyor Towers, 4 th Floor, Plot No. C 62, G Block, Opp Trident Hotel, Bandra Kurla Complex, Bandra (E), Mumbai-400098 | ASHIKA |
| 3 | BSE Limited @ | Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001 | 543766 (w.e.f. 14.02.2023) - Direct Listing 590122 (till 13.02.2023) - Permitted Securities Category |

@ BSE vide its' Notice no. 20230209-9 dated 9th February 2023 has granted Listing and Trading approval to Ashika Credit Capital Limited ("Company") for 1,18,80,000 Equity Shares of Face Value of Rs. 10/- each on the main Board of BSE Ltd under Direct Listing route. The Listing & Trading of the equity shares of the Company has commenced w.e.f. 14th February, 2023 in the list of "X" Group. The new Scrip Code is 543766 and Scrip ID: ASHIKA

- f) **Listing Fees to Stock Exchanges** : The Annual Listing Fees for the Financial Year 2022-2023 has been paid to all the Stock Exchanges where securities of the company are listed within time lines.

- g) **Corporate Identification Number (CIN)** :
L67120WB1994PLC062159

h) 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

Email: secretarial@ashikagroup.com

i) Branch office address

7, B.B. Ganguly Street 4th Floor,
Kolkata – 700012

Email : secretarial@ashikagroup.com

- j) **Corporate office address** : 1008, Raheja Centre, 10th floor
214, Nariman Point, Mumbai - 400021
Tel: (022) 66111700

k) Market Price Data

The high / low market prices of the shares during the year 2022-2023 at the exchanges were as under:-

Corporate Governance Report

| Month | CSE | | MSEI | | BSE | |
|-----------------|-------|-------|-------|-------|-------|-------|
| | High | Low | High | Low | High | Low |
| April, 2022 | ----- | ----- | ----- | ----- | 40.90 | 35.55 |
| May, 2022 | ----- | ----- | ----- | ----- | 47.00 | 30.20 |
| June, 2022 | ----- | ----- | ----- | ----- | 40.95 | 32.25 |
| July, 2022 | ----- | ----- | ----- | ----- | 39.65 | 28.20 |
| August, 2022 | ----- | ----- | ----- | ----- | 43.20 | 33.75 |
| September, 2022 | ----- | ----- | ----- | ----- | 44.50 | 35.00 |
| October, 2022 | ----- | ----- | ----- | ----- | 38.20 | 30.75 |
| November, 2022 | ----- | ----- | ----- | ----- | 38.90 | 34.70 |
| December, 2022 | ----- | ----- | ----- | ----- | 38.95 | 32.50 |
| January, 2023 | ----- | ----- | ----- | ----- | 39.40 | 31.10 |
| February, 2023@ | ----- | ----- | ----- | ----- | 35.40 | 30.10 |
| March, 2023@ | ----- | ----- | ----- | ----- | 39.89 | 31.18 |

Note: During the Financial Year ended 31st March, 2023, there was no trading in the equity shares of the Company at CSE & MSEI. The Price of Equity shares as on 31st March 2023 with MSEI is Rs 39.50. The details of high and Low is provided from April 2022 to January 2023 for old scrip 590122 and from February 2023 to March 2023 for new scrip code 543766.

@The company securities got Listed at Main Board of BSE wef 14.02.2023.

l) Registrar and Transfer Agents (RTA):

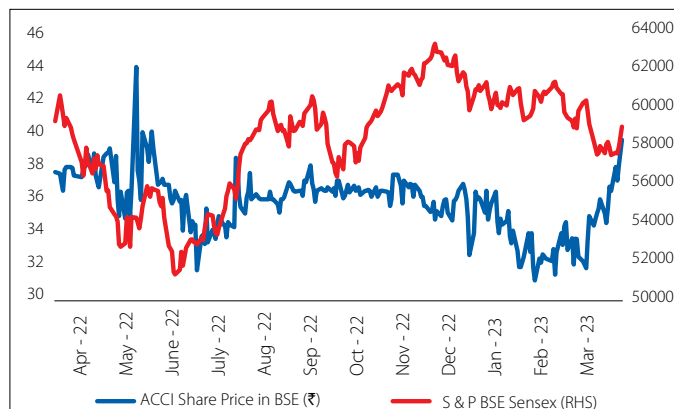
Maheshwari Datamatics Private Limited is the Registrar and Transfer Agent of the Company, who manage the entire share registry work, both Physical and Electronic.

Maheshwari Datamatics Pvt Ltd
23, R.N. Mukherjee Road, 5th Floor,
Kolkata – 700001

Tel: 033-22482248, 2243-5029, Fax no: 033-22484787

Email: mdpldc@yahoo.com. Web: www.mdpl.in

m) Performance comparison chart with S&P BSE Sensex:



n) Share transfer system :

Share Transfer: Shareholders' requests for transfer / transmission of equity shares and other related matters are handled by Registrar and Share Transfer Agent and are effected within stipulated timelines, if all the documents are valid and in order.

Pursuant to the provisions of Regulation 40 of the SEBI (LODR) Regulations, 2015, securities can be transferred only in dematerialized form.

The Company obtains yearly certificate from MR & Associates, Company Secretaries in Practice confirming the issue of share certificates for transfer, sub-division, consolidation etc., and submits a copy thereof to the Stock Exchanges in terms of Regulation 40(9) of the Listing Regulations. Further, the Compliance Certificate under Regulation 7(3) of the Listing Regulations, confirming that all activities in relation to both

physical and electronic share transfer facility are maintained by Registrar and Share Transfer Agent registered with the Securities and Exchange Board of India is also submitted to the Stock Exchanges on a yearly basis.

Further, the Board has formulated a committee named Share Transfer committee and delegated the powers of share operations to the Committee. The committee comprises of three (3) members, namely, Mr. Daulat Jain, Managing Director & CEO, being Chairman of the Committee, Mr. Sagar Jain, Non-Executive Independent Director and Ms. Sonu Jain, Non-Executive Independent Director, as members of the said committee. Ms Anju Mundhra, Company Secretary, acts as the secretary to the committee. The Committee meets as and when required to approve, inter alia, issue of duplicate share certificate, requests for transmission of shares etc. During the year the committee has not received any such request for transfer of shares from shareholder.

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Norms for furnishing of PAN, KYC, Bank details and Nomination

Pursuant to SEBI Circular Nos. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/655 dated November 03, 2021 & SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/687 dated December 14, 2021, which was superseded by SEBI vide circular no. EBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16th March, 2023, it has been mandated that the listed companies to have PAN, KYC, bank details and Nomination of all shareholders holding shares in physical form. Folios wherein any one of the cited details / documents (i.e. PAN, KYC, Bank Details and Nomination) is not available on or after 1st October 2023, shall be frozen as per the aforesaid SEBI circular. The investor service requests forms for updation of PAN, KYC Bank details and Nomination viz., Forms ISR-1, ISR-2, ISR-3, SH-13, SH-14 and the said SEBI circular are available on our website www.ashikagroup.com. In view of the above, we urge the shareholders to submit the Investor Service Request form along with the supporting documents at the earliest.

The Company has sent communications/ reminders to the shareholders holding shares in physical form in relation to the aforesaid within regular intervals. Specific communication with requisite form had been sent by company to all physical shareholders in specific compliance with SEBI circular dated 16th March, 2023. In respect of shareholders who hold shares in the dematerialized form and wish to update their PAN, KYC, Bank Details and Nomination, they are requested to contact their respective Depository Participants.

o) Dematerialisation of Shares and Liquidity

The Company's shares are available for dematerialization/ re-materialization with both the Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31st March 2023, out of the total 1,18,80,000 equity shares, 11,764,743 equity

| Financial Year | Date of declaration | Rate of dividend per share | Date of transfer to unpaid dividend account | Proposed date of transfer to Investor Education and Protection Fund |
|----------------|------------------------------|----------------------------|---|---|
| 2018-2019 | 9 th August, 2019 | Re. 1 per share/- | 13 th September, 2019 | 12 th September, 2026 |

q) Category-wise shareholding pattern as on 31st March, 2023

| Sl. No | Category | No. of shares | % holding |
|--------|--|--------------------|------------|
| 1 | Promoter & promoter Group | 64,17,168 | 54.02 |
| 2 | Institution- Foreign Portfolio Investors- Public | 3,22,621 | 2.71 |
| 3 | Non-Institution- Body Corporate- Public | 27,20,179 | 22.90 |
| 4 | Non-Institution- Individual- Public | 20,68,030 | 17.41 |
| 5 | Clearing member | 5,977 | 0.05 |
| 6 | Non Resident Individual | 6,351 | 0.05 |
| 7 | Resident Individual | 3,39,674 | 2.86 |
| | Total | 1,18,80,000 | 100 |

r) Distribution of Shareholding as on 31st March, 2023

| Slab of shareholding | Number of Shareholders | Number of Shares | % to total no of shares |
|----------------------|------------------------|------------------|-------------------------|
| Upto 500 shares | 1186 | 77882 | 0.66 |
| 501-1000 shares | 71 | 58763 | 0.49 |
| 1001-2000 shares | 54 | 88568 | 0.75 |
| 2001-3000 shares | 26 | 67397 | 0.57 |
| 3001-4000 shares | 17 | 60587 | 0.51 |
| 4001-5000 shares | 16 | 76737 | 0.64 |

shares representing 99.03% of the total paid up share capital were held in dematerialized form with NSDL and CDSL. The balance 0.97% paid-up share capital representing 1,15,257 Equity Shares is held in physical mode. The entire Promoters' shareholding of 64,17,168 Equity Shares, representing 54.02% of the paid-up share capital of the Company is held in dematerialized mode. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE094B01013.

| Physical /Electronic | Number of holders (Folio/Client ID) | Number of shares |
|----------------------|-------------------------------------|--------------------|
| NSDL | 509 | 28,18,950 |
| CDSL | 1053 | 89,45,793 |
| PHYSICAL | 28 | 1,15,257 |
| TOTAL | 1590 | 1,18,80,000 |

p) Unpaid/ Unclaimed Dividend

As per section 124(5) & 125 of the Companies Act, 2013 the dividend which remains unpaid / unclaimed for a period of 7 years from the date of transfer to unpaid dividend account shall be transferred by the Company to IEPF. Further, pursuant to Section 124 of the Act read with the IEPF Rules all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs. In accordance with the aforesaid IEPF Rules, the Company has sent communication to all such shareholders whose dividends are lying unpaid/unclaimed against their name. The details of such dividends/shares and other unclaimed moneys to be transferred to IEPF on due date are uploaded on the website of the Company at www.ashikagroup.com.

Due dates of transferring unclaimed and unpaid dividends declared by the Company for the Financial Year 2018-2019 and thereafter to IEPF are as under:

Corporate Governance Report

| Slab of shareholding | Number of Shareholders | Number of Shares | % to total no of shares |
|----------------------|------------------------|------------------|-------------------------|
| 5001-10000 shares | 26 | 209247 | 1.76 |
| Above 10000 shares | 72 | 11240819 | 94.62 |
| Total | 1468 | 11880000 | 100.00 |

- s) **Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity** : NA
- t) **Commodity price risk or foreign exchange risk and hedging activities** : None
- u) **Plant locations** : None
- v) **Address for correspondence** : Ms. Anju Mundhra
Secretarial Department
Trinity, 7th floor, 226/1, A.J.C. Bose Road,
Kolkata – 700 020.
Tel No. (033) 40102500, Fax No. (033) 40102543
Email : anjulohia@ashikagroup.com
secretarial@ashikagroup.com
- w) **Email id of grievances redressal division** : investorservices@ashikagroup.com
- x) **List of all credit ratings obtained by the Company along with any revisions thereto during the relevant financial year, for all debt instruments of the Company or any fixed deposit programme or any scheme or proposal of the company involving mobilization of funds, whether in India or abroad** : Nil

(8) OTHER DISCLOSURES:

(a) Related Party Transactions:

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There have been no material significant related party transactions which may have potential conflict of interest of the company at large. All Related Party Transactions are placed before the Audit Committee and Board. Prior approval of material Related Party Transactions are sought from Shareholders. Disclosure of transactions with related parties is provided in notes to the financial statements, forming part of the Annual Report.

The Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions of the Company is uploaded at <https://ashikagroup.com/pdf/policies/ACCL-2022-03-Related-Party-Transaction-Policy-wef-01.04.2022.pdf>

(b) Details of non compliances/ penalties/ strictures imposed on the Company by stock exchange or any other regulatory authority etc during the last three years:

No penalties or strictures have been imposed on the company by stock exchange(s) or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

(c) Details of establishment of vigil mechanism /whistle blower policy, and affirmation that no personnel has been denied access to the audit committee

The Company has in place Board approved Policy on Vigil mechanism/ Whistle Blower. The Policy was framed with

an objective to deal with issues pertaining to integrity, encouraging the employees and Directors of the Company to raise any concern about Company's operations and working environment, including possible breaches of Company's policies and standards, without fear of adverse managerial action being taken against such employees. It provides a channel to Whistle Blower to report concerns about any alleged wrongful conduct and to build and strengthen a culture of instances of such suspected or confirmed incident of fraud/misconduct. The mechanism also provides for adequate safeguards against victimization of employees to avail of the mechanism and in exceptional cases direct access to the Chairman of the Audit Committee to report instances of fraud/misconduct. During the year under review, Board affirms that no employee was denied access to the Audit Committee. The said Policy may be referred to, at the website of the Company at its web-link i.e. <https://ashikagroup.com/pdf/policies/ACCL-2022-03-Vigil-Mechanism-Policy.pdf>

(d) Web-link where Policy for determining 'Material Subsidiaries' is disclosed/ Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:

As on financial year ended 31st March, 2023, the Company does not have any material listed/unlisted Subsidiary Company as defined in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; further, pursuant to Regulation 16(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereof,

Corporate Governance Report

the Company has formulated a Policy for determining material subsidiary and the said Policy shall be effective from the day company shall have Subsidiary /Material subsidiary. The said policy is uploaded at the website of the Company at <https://ashikagroup.com/pdf/policies/Material-subsiary-policy.pdf>

(e) Disclosure of commodity price risks and commodity hedging activities:

The Company does not have any commodity price risks and commodity hedging activities. Hence, the same is not applicable to the company as on 31st March, 2023.

(f) Details of utilisation of funds raised through preferential allotment or qualified institutional placement as specified under Regulation 32(7A) of SEBI (LODR) Regulations, 2015:

Nil

(g) Certificate from a Company Secretary In Practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority:

A certificate from M/s. MR & Associates, Practicing Company Secretaries that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority is forming part of Annual Report.

(h) During the Financial Year 2022-2023, there have been no instances where the Board of Directors of the Company has not accepted the recommendation of the committee of the Board, wherever required.

(i) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:

During the Financial Year 2022-2023, the Company has paid the following amounts on a consolidated basis to the statutory auditors of the Company, namely, M/s DMKH & CO, Chartered Accountants

| Sl. No | Category | DMKH & Co Amount (Rs in lacs) |
|--------|--|-------------------------------------|
| 1 | As Auditor - Statutory Audit and Limited Reviews | 8.26 |
| 2 | For Other Services (Certification, etc.) | 2.18 |
| 3 | Out of Pocket expenses | 0.24 |

Further, the company has not availed any services during the Financial Year 2022-2023 from entities in network firm/network entity of which the statutory auditor is a part.

(j) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

In terms of the provisions of Sexual Harassment of Women at

Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, the number of complaints received during the financial year 2022-2023 along with their status of redressal as on financial year ended 31st March, 2023 are as under:

| | |
|--|-----|
| Number of complaints filed during the year | Nil |
| Number of complaints disposed off during the year | Nil |
| Number of complaints pending as on end of the financial year | Nil |

(k) Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount': The Listed Company has given loans to Related Parties in which Directors are interested in line with Loan Policy and Related Party transaction Policy. The said RPTs were prior approved by Audit committee, Board and Shareholders, as required. The loan and advances made were within compliance of Companies Act 2013, NBFC norms as applicable. Details of the Loan given have been disclosed in the Financial Statements of the Company.

(9) Disclosure of Non-Compliance of any requirement of Corporate Governance Report of Sub-Paras (2) to (10) of Part C of Schedule V of SEBI (LODR) Regulations, 2015:

The Company has fully complied with the applicable requirements of Regulation 34(3) of SEBI (LODR) Regulations, 2015 as well as sub-paras (2) to (10) of Part C of Schedule V of SEBI (LODR) Regulations, 2015 and amendments thereof, in terms of Corporate Governance Report.

(10) Details of adoption of Mandatory and Non- Mandatory requirements pursuant to Regulation 27(1) of SEBI (LODR) Regulations, 2015

The Company has been complying with the discretionary requirements as stipulated in Part E of Schedule II of the SEBI (LODR) Regulations, 2015 which are as follows:

- **The Board:** Currently, the Company does not have a non-executive chairman, so this clause is not applicable to the Company.
- **Shareholder Rights:** The quarterly and half yearly financial results are published in the newspapers having wide circulation and sent to stock changes and uploaded on the website of the company. The Company does not consider it prudent to circulate the same separately to the Shareholders of the Company.
- **Modified opinion(s) in audit report:** The audit report forming part of the Company's Financial Statements for the Financial Year ended 31st March, 2023 is unmodified.
- **Reporting of Internal Auditor:** The Internal Auditor or his representative is a permanent invitee to the Audit Committee meeting. The Chief Internal Auditor reports directly to the Audit Committee.

(11) Disclosure pursuant to Regulation 17 to 27 and Regulation 46 of SEBI (LODR) Regulations, 2015:

Pursuant to Schedule V of SEBI (LODR) Regulations, 2015, the Company hereby confirms that it has complied with the Corporate Governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of Regulation 46(2) of SEBI (LODR) Regulations, 2015 and necessary disclosures thereof

Corporate Governance Report

have been provided in this Corporate Governance Report.

(12) Code of Conduct for Board, Key managerial Personnel and Senior Management Personnel:

The Company has in place the Code of Conduct for Board of Directors, Key Managerial Personnel and Senior Management Personnel of the company and the said Code is uploaded on the website of the company at <https://ashikagroup.com/pdf/policies/ACCL-2022-03-Code-of-Conduct-for-Board-and-SMP.pdf>. All the Board members, KMPs and Senior Management Personnel have affirmed compliance with the aforesaid code.

Affirmation regarding compliance of the Code of Conduct by members of the Board and Senior Management Personnel has been provided by the Chief Executive Officer (CEO) of the Company and the same forms part of this Annual Report.

(13) CEO/ CFO Certification:

The CEO-cum-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 purpose of financial reporting as required under Regulation 17(8) of the SEBI (LODR) Regulations, 2015 for the Financial year ended 31st March 2023.

(14) Corporate Governance Compliance

The Company has duly complied with the requirements laid down in the provisions of the Listing Regulations for the purpose of ensuring Corporate Governance. A certificate to this effect obtained from M/s. MR & Associates, Practicing Company Secretaries has been attached to this Annual Report.

(15) Reconciliation of Share Capital Audit Report

As stipulated by SEBI, a Practicing Company Secretary carries out the Audit of Reconciliation of Share Capital on a quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and paid up capital. The Audit report is submitted to the Stock Exchanges and is placed before the Board at its meetings. The said Report on Reconciliation of Share Capital has been submitted with stock exchange quarterly within prescribed time also updated on the website of the company www.ashikagroup.com.

(16) Prevention of Insider Trading:

Pursuant to the Listing Regulations, the Company has formulated the 'Code of Conduct for Prevention of Insider Trading' and the 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Information' ('ACCL Insider Code'), which requires pre-clearance for dealing in the Company's shares. It also prohibits the purchase or sale of the Company's shares by the Directors and their immediate relatives, designated persons and connected persons, while in possession of unpublished price sensitive information in relation to the Company and during the period(s) when the Trading Window to deal in the Company's shares is closed. The code is updated on website of the company at <https://ashikagroup.com/pdf/policies/2022-06-ACCL-Insider-Code-April-2022.pdf>

Pursuant to the above, the Company has put in place adequate and effective system of internal controls to ensure compliance with the requirements of the Prohibition of Insider Trading Regulations. The Company has also adopted the Policy for determination of Legitimate Purposes and Policy for Inquiry in case of leak or suspected leak of unpublished price sensitive information in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

A structured digital database is being maintained by the Company, which contains the names and other particulars as prescribed of the persons covered under the Codes drawn up pursuant to the Prohibition of Insider Trading Regulations.

The Board of Directors have also formulated a Policy for determination of 'legitimate purposes' as a part of the Code of Fair Disclosure and Conduct as per the requirements of the Prohibition of Insider Trading Regulations and the same is updated on website of the company at <https://ashikagroup.com/pdf/policies/ACCL-2022-03-Code-of-Practices-and-Procedures-on-Fair-Disclosure.pdf>

The Company Secretary has been appointed as the Compliance Officer for ensuring implementation of the codes for fair disclosure and conduct. The Board of Directors, designated persons and other connected persons have affirmed compliance with the ACCL Insider Code.

(17) 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

(PAWAN JAIN)
Executive Chairman
DIN: 00038076

(DAULAT JAIN)
Managing Director & CEO
DIN: 00040088

Place: Kolkata
Date: May 29, 2023

Corporate Governance Report

PRACTICING COMPANY SECRETARY'S CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

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

1. We have examined the compliance of conditions of Corporate Governance by Ashika Credit Capital Limited (CIN: L67120WB1994PLC062159) (hereinafter called the Company) for the Financial Year ended on 31st March, 2023, as stipulated in the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulations') as amended.

We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.
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 information furnished by the 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') as amended.
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.

For **MR & Associates**
Company Secretaries
A Peer Reviewed Firm
Peer Review Certificate No.: 720/2020

[CS Sneha Khaitan Jalan]
Partner
FCS No.:F11977
C P No.:14929
UDIN: F011977E000385295

Place: Kolkata
Date: May 29, 2023

Declaration Regarding Compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct

This is confirm that the company pursuant to Schedule V (D) read with Regulation 34(3) of the SEBI (LODR) Regulation 2015 has adopted Code of Conduct for Board Members and Senior Management Personnel of the Company.

I further confirm that the Company has in respect of the year ended 31st March, 2023, received from all Board members and Senior Management Personnel of the Company a declaration of compliance with the Code of Conduct as applicable to them.

(Daulat Jain)
Managing Director & CEO
DIN: 00040088

Corporate Governance Report

CEO & CFO CERTIFICATION COMPLAINT CERTIFICATE

Pursuant to Regulation 17(8) read with Regulation 33(2)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

May 29, 2023

To
The Board of Directors
Ashika Credit Capital Limited
Trinity, 226/1, AJC Bose Road
7th Floor, Kolkata – 700020

We, the undersigned in our respective capacity as Managing Director and Chief Executive Officer and Chief Financial Officer of Ashika Credit Capital Limited, do hereby certify to the best of our knowledge and belief that :

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief, we certify that :
- (1) The 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 no transactions entered into by the company during the year which are fraudulent, illegal or violation of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We 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 we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Yours sincerely,

(Daulat Jain)
Managing Director & CEO
DIN: 00040088

(Gaurav Jain)
Chief Financial Officer

Corporate Governance Report

MR & Associates

Company Secretaries
46, B. B. Ganguly Street,
KOLKATA-700012
MOBILE No: 9831074332
Email: goenkamohan@gmail.com

To,
The Members,
Ashika Credit Capital Limited
Trinity, 226/1 A.J.C Bose Road,
7th Floor, Kolkata - 700020.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Ashika Credit Capital Limited** having CIN L67120WB1994PLC062159 and having registered office at Trinity, 226/1 A.J.C Bose Road, 7th Floor, Kolkata – 700020 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| Sl. No | Name of the Directors | DIN | Date of Appointment in Company |
|--------|--|----------|---|
| 1 | Mr. Pawan Jain , Executive Chairman * | 00038076 | 08/03/1994 |
| 2 | Mr. Daulat Jain ,Managing Director & CEO** | 00040088 | 14/01/2016 |
| 3 | Mr. Sagar Jain , Independent Director | 00392422 | 29/06/2001 (Re-appointed w.e.f 01.04.2019) |
| 4 | Ms. Suparna Sengupta, Independent Director | 07689952 | 14/02/2018 (Re-appointed w.e.f 14.02.2021) |
| 5 | Ms. Sonu Jain, Independent Director | 07267279 | 01/04/2019 (Re-appointed w.e.f 01.04.2022) |
| 6 | Mr. Amit Jain, Non Executive Director | 00040222 | 04/08/2021 |

*Re-appointed as Executive Chairman (Whole Time Director) w.e.f 01.11.2022

** Re-appointed as Managing Director & CEO w.e.f 01.11.2022

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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.

For **MR & Associates**
Company Secretaries
A Peer Reviewed Firm
Peer Review Certificate No.: 720/2020

[M R Goenka]
Partner

FCS No.:4515

C P No.:2551

UDIN: F011977E000381929

Place: Kolkata
Date: May 29, 2023

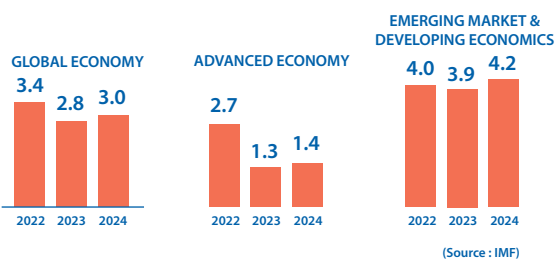
Management Discussion and Analysis Report



It is heartening to see that the RBI and policy makers recognise the contribution of NBFC's in supporting real economic activity and meeting the credit demand.



GDP GROWTH PROJECTIONS



ECONOMIC SCENARIO

GLOBAL ECONOMIC OVERVIEW

It has been three years since the start of the pandemic, and the global economy has been through a series of unexpected and hugely impactful disruptions. Over the past year alone, the global economy has witnessed one of the biggest surges in inflation. The global growth is expected to fall to 2.8% this year from 3.4% in 2022 before edging back up to 3% in 2024 (Source: IMF).

GLOBAL ECONOMIC OUTLOOK

Ongoing inflation and elevated interest rates continue to exert pressure on global economic performance, compounded by a pervasive climate of uncertainty and risk that has given rise to a spectrum of plausible outcomes. Nevertheless, the advanced economies have demonstrated remarkable resilience, while the reopening of China in late 2022 has helped generate positive growth impulses, culminating in a more promising outlook for the global economy.

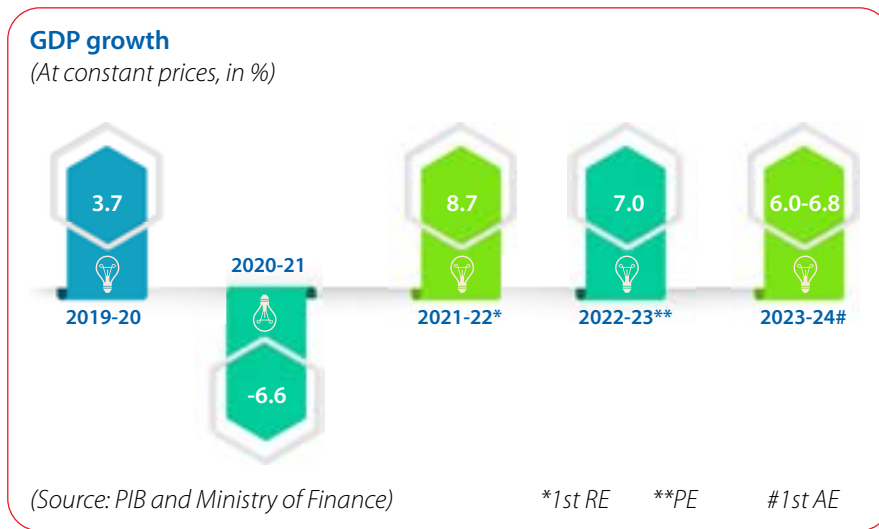
Despite facing several challenges, the US economy has experienced certain degree of growth momentum well into 2023. Driven by consumer spending, the real GDP growth forecast for the US has undergone an upward

Management Discussion and Analysis Report

revision of 0.9% in 2023(Source: Euromonitor International). Nevertheless, uncertainties and vulnerabilities are still present, owing to factors like the mounting impact of high-interest rates and prolonged inflation, as well as the turbulence in the US banking sector that began in March 2023.

It is anticipated that the eurozone economy will experience a positive upward trend and is projected to expand by 0.5% in the year 2023. This is due to sharply reduced energy prices and considerably higher energy security. Against this backdrop, economic resilience will be supported by strength in the labour market, private consumption and manufacturing. Nonetheless, the escalation of inflation, which excludes food and energy, and the restrictive monetary policy implemented by the European Central Bank to curb surging prices, are likely to weigh on short and medium-term growth prospects.

Pent-up demand in China is expected to boost consumption and consequently stimulate substantial regional growth effects, with tourism and commodities expected to reap benefits. Projections indicate that real GDP growth in the Asia Pacific region will attain 4.6% by 2023(Source: Euromonitor International), emerging as the highest rate amongst all regions. This growth will be bolstered by China's expansion, which is further expected to generate momentum in the Asian Pacific region, comprising some of the world's top growing emerging economies in 2023, such as India, Indonesia, the Philippines, and Vietnam. While advanced economies' slackening will impede the region's manufacturing and commodity exporters, these nations are still expected to retain significant growth momentum.



INDIAN ECONOMIC OVERVIEW

India will surpass China to become the world's most populous nation during May 2023, according to calculations from the United Nations, in a milestone that is expected to cement its growing image as one of the global economy's favourites. The country's so-called "demographic dividend," the potential economic growth arising from a large working-age population, represents a major opportunity. Its vast consumer market and pool of affordable labour is also drawing more attention from global brands and trading partners.

The advance GDP estimates for the year 2022-23 is around 7% and GDP growth of 6.0-6.8% is expected in 2023-24, depending on the trajectory of economic and political developments globally. According to the Economic Survey 2022-2023, the Capital Expenditure (Capex) of the central government increased by 63.40% in the first eight months of FY23 and became a major driver of the Indian economy in the current year. India's economic growth in Financial Year 2022-23 has been principally led by private consumption and capital formation and they have helped generate employment (Source: Lok Sabha). The optimistic growth forecasts stem from a number of positives like the rebound of private consumption, higher Capital Expenditure (Capex), near-universal vaccination coverage, return of migrant workers to work in construction sites, the strengthening of the balance sheets of the corporates and well-capitalized public sector banks for credit supply including others.

INDIAN ECONOMIC OUTLOOK

Growth in investments will be critical to meet India's rising demand and ensure non-inflationary growth in the long run. Capital investments, at a higher scale by the

government and expected fresh ones by the private sector, will drive medium-term growth, while digitalisation and efficiency-enhancing reforms will raise the contribution of productivity. Better physical infrastructure is expected to improve connectivity and lower logistics costs for industries, while digital infrastructure will bring efficiency gains by serving as a platform for innovation and efficient payments systems.

India Inc.'s revenue growth is expected to touch double digits in fiscal 2024 despite a global slowdown and interest rate hikes. This will be driven by a 10-12% growth in revenue for the non-commodity sectors, even as commodity prices remain benign. Importantly, this will follow a 16-18% on-year rise in revenues in fiscal 2023 after the commodity super-cycle boost in fiscal 2022. While government policies are expected to push industrial capex and new-age opportunities, infrastructure spending will drive 12-16% growth in overall capex next fiscal. This is to achieve nearly 75% of the initial targets set under the National Infrastructure Pipeline by fiscal 2025. Overall industrial capex is expected to see a rise to nearly Rs. 5.7 lakh crores on average between fiscals 2023 and 2027, compared with Rs. 3.7 lakh

Management Discussion and Analysis Report

crores in the past five fiscals. Nearly half of this incremental capex is expected to be driven by the Production-Linked Incentive (PLI) scheme and new-age sectors. Merchandise exports are also expected to grow a moderate 2-4% in fiscal 2024 after an estimated 5-7% increase in fiscal 2023, with

the PLI scheme supporting demand owing to global supply chain diversification and 'friend-shoring' strategies.

Union Budget 2023–24 builds on the vision set out in the previous budgets and provides a blueprint for steering the economy towards a sustained high-growth trajectory.

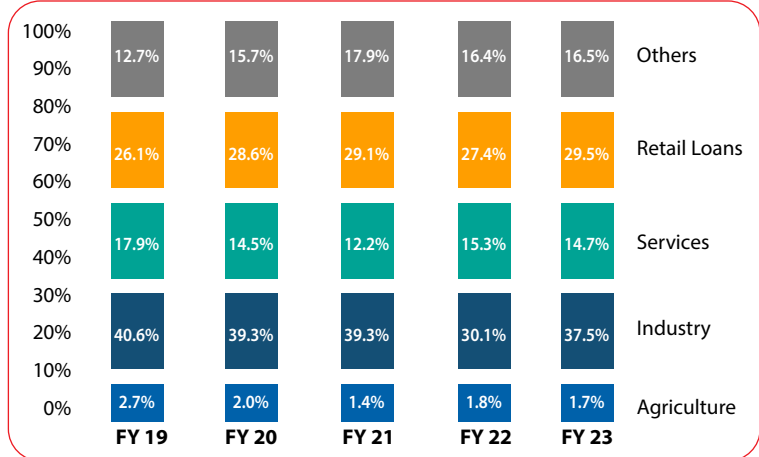
NBFC INDUSTRY IN INDIA

The world seems to be recovering from the aftermath of the challenges posed in the last few years. Overall despite the challenges, India has emerged as a bright spot in terms of economic growth amidst an outlook of global slowdown. Recently, the World Bank has reported that India is better positioned to navigate global headwinds and handle global spill-overs, as compared to other major emerging economies. The uptick in demand during the festive season is another reason which makes us optimistic. It is heartening to see that the

RBI and policymakers recognise the contribution of NBFCs in supporting real economic activity and meeting the credit demand, especially reaching the unbanked. The recent RBI Scale based norms is another welcome step for the industry that will elevate the status of NBFCs in line with several other public sector NBFCs.

There are over 9,000 NBFCs which are currently registered with the RBI, and NBFCs are classified into four layers namely Base Layer (NBFC-BL), Middle Layer (NBFC-ML), Upper Layer (NBFC-UL) and Top Layer (NBFC-TL) based on their size, activity, and perceived riskiness. Recently, sixteen entities have been identified for categorisation as NBFC-UL under the Scale Based Regulation framework. At the end of H1FY23, aggregate credit extended by NBFCs grew by 13.1% and stood at Rs 31.5 lakh crores (Source: Care Ratings). Over the last four and half years, loans to industry lost market share from 40.6% in FY19 to 37.5% in H1FY23 and yet continued to constitute the largest segment, followed by personal loans at 29.5%, services at 14.7% and agriculture at 1.7%. Advances to service and retail segments grew the

Segmental distribution of credit



(Source: IBEF)

fastest in H1FY23. Government-owned NBFCs have been ceding ground in the industry segment. According to RBI's Financial Stability Report December 2022, NBFC-UL group recorded higher credit growth (y-o-y) of 17.2% and a better GNPA ratio of 4.2% as of September 2022 than the overall NBFC sector.

The GNPA ratio declined in September 2022 as it neared the sector's pre-pandemic levels. However, Special mention accounts (SMAs), however, increased from 8.5% per cent of total advances in December 2021 to 10.8% in September 2022. The capital adequacy (CRAR - Capital to Risk (Weighted) Assets Ratio) of NBFCs continued to be robust as of September 2022. The marginal decline was attributed to rising lending activities. The credit outlook is expected to be stable for Banks and NBFCs with scaling up of operations. Macro stress tests indicate that under the baseline scenario, the Gross Non Performing Asset (GNPA) of NBFCs reduces to 5.8%, while under the medium risk and high risk, the GNPA ratio rises to 6.9% and 8%, respectively.

Did you know?

(Source: Times of India and Aventus)

Non-banking Finance Companies (NBFCs) that lend to small business will see USD 15 billion of investment. This growth is anticipated to be 10 times the deal flow this segment saw in the previous decade. Of the 6.4 crore MSMEs in India, only 14% have access to credit. Their total finance demand is estimated to be \$1,955 billion of which \$1,544 billion is for debt. Considering that little over half this demand is from viable businesses, the market size is estimated to be \$819million of which only \$289 million is met by formal credit. The NBFCs are considered to be better placed than banks because of their low cost branches and wide presence. They also fare better in sourcing customers and assessing customer repayment ability. Unlike banks which prefer safe customers, NBFCs are willing to understand and evaluate an undocumented industry with their own team and infrastructure. It is anticipated that this segment is entering a virtuous cycle, and lenders, here will be able to generate 20% return on equity on a sustainable basis.

Management Discussion and Analysis Report

OPPORTUNITIES AND THREATS

NBFC enjoys flexibilities in the rules and privileges provided by the government to entertain people with the loans and financial services that have been a pivotal ingredient for the growth of NBFCs.

OPPORTUNITIES

Deep understanding of the Customers segment:

NBFC's have strongly focused on unorganized & under-served segments of the economy, which led the companies to create a niche for themselves through frequent interactions with their customer segments & deeply understanding needs. They are ensuring last-mile delivery & enhanced customer experience of products & services.

Customized product offerings by NBFC's:

NBFCs have focused on a limited line (or often a mono-line set of products) to serve the target customer segment. Armed with a thorough comprehension of their target segment, NBFCs have customized product offerings to address unique characteristics of the customer segment and focus on meeting the right needs. Several NBFCs are adopting non-standard pricing models for product lines, in-line with the customer profile and inherent risk of lending.

Wider and Effective reach:

NBFCs are now reaching out to Tier-2, Tier-3 and Tier-4 markets, distributing loans across several customer touch-points, building a connected channel experience, that provides an omni-channel seamless experience with 24/7 sales and service, as the consumers of today evolving and accessing digital media at the tip of their hand, NBFCs have embarked on new and better ways to engage with the customer.

Government's initiatives to promote financial inclusion:

The government has launched various schemes like Pradhan Mantri Jan Dhan Yojana (PMJDY), Mudra Yojana, and Stand-Up India to provide financial services to the unbanked and under-banked population. NBFCs have played a crucial role in implementing these schemes and providing credit to the beneficiaries.

Robust Risk Management:

Given their focus on lending to the sub-prime customer segment, and regulatory disadvantage (SARFEASI, DRT, and capital adequacy requirements) in comparison to commercial bank lenders, NBFCs are also ensuring enhanced governance through a proactive, robust and agile risk management model.

CHALLENGES

Over exposure limits:

Banks and capital markets combined accounted for 73% of the funds raised by non-bank lenders (NBFCs) in the first nine months of FY23 (Source: B Q Prime). With the start of FY 24, banks are increasingly facing challenges, with many of them approaching their internal exposure limits, largely public sector banks. Thus, banks may revisit their exposure limits in 2024 fiscal impeding the accessibility of funds to the NBFC industry.

Maintaining profitability:

In a scenario of rising interest rates and intense competition from banks, NBFCs will further need to focus on their pricing power to maintain profitability and also focus on higher-yield segments for growth. Needless to say, NBFCs with stronger business models, strong capital adequacy, strong underwriting capabilities and focus on digital strategy will continue to perform better and grow stronger in years to come.

Overburdening compliances:

There are more than 200 industry-specific compliance requirements for an NBFC operating at a single location within the country. It is generally seen that over 94 per cent of the compliance officers at NBFCs believe they don't have the required visibility and control in their organization's compliance program. These compliance challenges also abate NBFCs expansion process. These ad-hoc, paper-based, and people-dependent processes fail to scale due to these compliance codes.

NBFC SEGMENT OUTLOOK

Non-banking financial companies (NBFCs) are diversifying their product offerings by venturing into new segments, such as small ticket loans, personal loans, business loans, LAP, and co-lending with banks. To expand their presence in semi-urban and rural areas, many industry players are adopting a penetration strategy to enter industrial clusters. Moreover, leveraging digital technology is enabling them to extend their reach to previously underserved markets.

The endeavours towards diversification are positively impacting the accessibility of credit for Micro, Small and Medium Enterprises (MSMEs) - a significant driving force for

Management Discussion and Analysis Report

economic expansion and job creation. The newly proposed budget has also introduced measures to promote growth and extend support to the MSME sector.

The loan growth of NBFCs has accelerated in 2022 and also sustained in 2023. As per the industry data, credit growth has improved, led by the improving macro space, the pick-up in the corporate space & the increase in retail loan demand. System credit growth has improved as well. Better consumer sentiment, should support loan growth in the NBFCs at a rate of 13-14% in FY24.

COMPANY OVERVIEW

Incorporated two decades ago, Ashika Credit Capital Limited (ACCL) operates as a non-banking financial company. We are engaged in fund-based activities, including providing loans and advances and inter corporate deposit and investment in securities. We strongly believe in building a strong financial community. Our ethos and promise of true financial inclusion in the country makes us one of Eastern India's prime NBFCs. The Company's financial statements were prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, other relevant provision of the Act and guidelines issued by the RBI.

Operational Income increased by 56.63% from Rs. 676.54 Lakhs to Rs. 1059.65 Lakhs and PAT increased by 67.83% from Rs 350.67 Lakhs to Rs 588.52 Lakhs owing to Gain from trading & investment in securities market.

Other Income increased by 210.23% from Rs. 46.92 Lakhs to Rs. 145.56 Lakhs owing to Bad debt recovery.

The Company's prudent risk management has helped maintain growth despite various challenges. The Company focuses on building long-term relationships with all stakeholders, including customers, bankers, investors and employees. It understands the evolving requirements of discerning customers and delivers appropriately to address their needs.

Its brief financial performance for 2022-23 is given below:
(Amount in Rs. Lakhs)

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--------------------------------|---------------------------|---------------------------|
| Revenue from Operations | 1059.65 | 676.54 |
| PBDIT | 806.71 | 553.3 |
| Interest and Financial Charges | 11.56 | 8.49 |
| Cash Profit | 795.15 | 544.81 |
| Tax expenses | 205.85 | 193.59 |
| Net Profit | 588.52 | 350.67 |

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year)

in Key Financial Ratios, alongwith detailed explanations thereof including:

| Particulars | 2022-23 | 2021-22 | 2021-22 | 2021-22 |
|-----------------------------|---------|---------|---------|-----------------------------------|
| Debtors Turnover | NA | NA | NA | NA |
| Inventory Turnover | NA | NA | NA | NA |
| Interest Coverage Ratio | 69.72 | 65.11 | 7.08 | NA |
| Current Ratio | 41.52 | 5.72 | 625.87 | Decrease in short term borrowings |
| Debt Equity Ratio | 0.0006 | 0.19 | -99.69 | Decrease in short term borrowings |
| Operating Profit Margin (%) | 76.06 | 81.70 | -6.90 | NA |
| Net Profit Margin (%) | 55.54 | 51.83 | 7.16 | NA |
| Return in Net Worth (%) | 11.44 | 7.32 | 56.28 | Better Profitability |

HUMAN RESOURCE MANAGEMENT

At Ashika, we pursue a strong Employment Value Proposition with a vision to build an organisation where employees are empowered. We recognise that our human capital drives the Company's customer-driven business model. Therefore, we strive to attract and retain the best talent; clearly define their roles and responsibilities; include them into robust performance management systems; create an inspiring work environment; engage them into an inclusive work place; impart training and create development opportunities for increasing employee knowledge and efficiency to make them future ready; and create career opportunities within.

INFORMATION TECHNOLOGY AND SYSTEMS

The Company's constant drive for growth leads to the strengthening of its information technology too. The Company's unwavering pursuit of expansion has resulted in the advancement of its information technology infrastructure. All systems within the Company have been unified with customized, integrated software. Additionally, the Company has implemented a sophisticated management information system, accounting system, and database to effectively manage data.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has put in place an adequate internal control system to safeguard all assets and ensure operational excellence. The system also meticulously records all transaction details and ensures regulatory compliance. It also has a team of internal auditors to conduct internal audit. Reputed audit firms also ensure that all transactions are correctly authorised and reported. The reports are reviewed by the Audit Committee of the Board. Wherever deemed necessary, internal control systems are strengthened and corrective actions initiated.

Management Discussion and Analysis Report

The financial statements contained in this annual report have been audited by the company's statutory auditors, who have also provided an attestation report on our internal control over financial reporting by section 143 of the Companies Act 2013. The company has engaged M/s Shyamsukha Amit & Associates, Chartered Accountants to manage and execute internal audits. These audits align with the company's operations and focus on assessing internal controls and potential risks.

Upon reviewing the Internal Audit report, the committee duly noted that there stood no observation in the report. To ensure the efficient functioning of internal control systems, the committee maintains an uninterrupted communication channel with both the statutory and internal auditors.

24x7 RISK CONTROL

We believe that in pursuit of its business objectives, we are exposed to certain risks. These risks have the potential of impacting the financial strength, operations and reputation of your Company. Keeping this in mind, your Company has a Risk Management Framework in place. The effectiveness of this framework is supervised by the Risk Management Committee (RMC). Our risk appetite sets out the desired forward-looking risk profile and provides an objective base to guide strategic decision-making. This helps ensure that planned business activities provide an optimised balance of return for the risk assumed, while remaining within acceptable risk level.

| | |
|-----------------------------|--|
| Liquidity risk | <p>Involves the inability to raise funds from the market at optimal costs to meet operational and debt servicing requirements.</p> <p>Ashika's response:</p> <p>The Company meets its funding requirements from diverse sources, including borrowings from corporates and have an effective governance framework which helps us in raising funds at competitive rates.</p> |
| Credit Risk | <p>Credit risk is the risk that a borrower is unable to meet its financial obligations to the lender. All credit risk related aspects are governed by a credit and recovery policy which outlines the type of products that can be offered, customer categories, targeted customer profile and the credit approval process and limits. The credit and recovery policy is approved by our Board of Directors.</p> <p>Ashika's response:</p> <p>Our officers evaluate various credit proposals on the basis of several parameter and as per procedure defined in the policy and approved by the Board. These criteria include factors like the borrower's, the loan-to-value ratio and demographic parameters. We have established defined layers of credit approval. In making our credit decisions, we also draw upon reports from credit information bureaus. The business operations section monitor operational adherence to regulations, policies and internal approvals.</p> |
| Market Risk | <p>Equity investments are subject to market conditions. Risk of loss due to price movements in any market the institution is trading in, such as shares, securities, currency, commodities etc. Market Risk threats to long-term competitive advantage.</p> <p>Ashika's response:</p> <p>To effectively manage market risk on its investment portfolio, we follow a prudent investment policy which guide the investment decisions. Investment are made after thorough research. The Company calibrates the duration of investment portfolio to balance the twin objectives of maintaining liquidity for business and minimum adverse fair value change on its investment portfolio. The Company continues to effectively evaluate various risks involved in underlying assets, before and after making any such strategic investments.</p> |
| Human Resources Risk | <p>People risk involves not finding candidates with appropriate qualifications & experience, at affordable cost and cultural misfits. Losing high performers/ people in critical rolls and compensation not commensurate with profile and role leading to dissatisfaction/attrition are some of the big challenges faced by several NBFCs in recent years.</p> <p>Ashika's response:</p> <p>The Company strives to attract and retain the best talent, adopts a robust performance management system, employee engagement and training practices, learning and development initiatives to create an inspiring work environment.</p> |

Management Discussion and Analysis Report

| | |
|-------------------------|---|
| Operational Risk | <p>The Company is exposed to the risk of loopholes in operations associated with complying with lending policies, creation of security on loans, watertight documentation and accounting/booking of loans, inadequate or failed internal processes, systems, human factors or from external events - these could impair the ability to proceed against the borrowers if the loan repayments are missed / overdue.</p> <p>Ashika's Response:</p> <p>On a routine basis, the company conducts risk-based audits across all business functions. These audits aim to verify the efficiency of the control framework through self-assessment and ensure the successful implementation of internal financial controls. This not only reduces enterprise exposure but also guarantees effective risk management. The Company has effectively ensured that all necessary KYC and legal documents are in place, and securely stored in a centralized facility. Transactions are recorded in software to enable easy retrieval of information as needed.</p> |
| Regulatory Risk | <p>Regulatory implications might dent the smooth operational functioning of the Company. It is exposed to risk attached to various statutes and regulations.</p> <p>Ashika's response:</p> <p>The Company has in place a robust Corporate Governance framework and ensures that all the regulatory checks are successfully complied with at all times. We adopt rigorous review systems to guarantee compliance with statutory guidelines and industry norms of the NBFC sector. Our team of seasoned professionals, under the guidance of the Group Head - Compliance & Company Secretary, is responsible for ensuring compliance with all relevant laws, regulations, and guidelines that impact our operations.</p> |

CAUTIONARY STATEMENT

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised by the Company. Actual result could differ materially from those expressed in the statement or implied due to the influence of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments.

Independent Auditor's Report

To the Members of Ashika Credit Capital Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Ashika Credit Capital Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, of the state of affairs of the Company as at March 31, 2023, its profit (including other comprehensive income), its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with 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 Ind AS 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 Ind AS financial statements under the provisions of the Act and Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

| Sr. No. | Key audit matter(s) | How our audit addressed the key audit matter |
|---------|---|---|
| 1. | <p>Impairment loss allowance of loans</p> <p>Impairment loss allowance of loans ("Impairment loss allowance") is a key audit matter as the Company has significant credit risk exposure. The value of loans on the balance sheet is significant and there is a high degree of complexity and judgment involved for the Company in estimating individual and collective credit impairment provisions, write-offs against these loans.</p> <p>The Company's model to calculate expected credit loss ("ECL") is inherently complex and judgment is applied in determining the three-stage impairment model ("ECL Model"), including the selection and input of forward-looking information. ECL provision calculations require the use of large volumes of data. The completeness and reliability of data can significantly impact the accuracy of the modelled impairment provisions. The accuracy of data flows and the implementation of related controls are critical for the integrity of the estimated impairment provisions.</p> | <p>We started our audit procedures with the understanding of the internal control environment related to Impairment loss allowance. Our procedures over internal controls focused on recognition and measurement of impairment loss allowance. We assessed the design and tested the operating effectiveness of the selected key controls implemented by the Company.</p> <p>We also assessed whether the impairment methodology used by the Company is in accordance with the assumptions and methodology approved by the Board of Directors of the Company, which is based on and in compliance with Ind AS 109, "Financial Instruments". More particularly, we assessed the approach of the Company regarding the definition of default, Probability of Default, Loss Given Default and incorporation of forward-looking information for the calculation of ECL.</p> <p>For loans which are assessed for impairment on a portfolio basis, we performed particularly the following procedures:</p> <ul style="list-style-type: none"> - tested the reliability of key data inputs and related management controls; - checked the stage classification as at the balance sheet date as per definition of default; - validated the ECL model and calculation; - calculated the ECL provision manually for a selected sample; and - We have checked the provision on Loan Assets as per Income Recognition, Asset Classification and Presentation ("IRACP") norms as required under RBI circular dated March 13, 2020. We have assessed disclosure requirements for classification and identification of Stage 3/ NPA's in accordance with RBI circulars. |

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report including Annexures to Board's Report, Report on Corporate Governance but does not include the Ind AS financial statements and our auditor's report thereon. The above mentioned other information are expected to be made available to us after the date of this auditor's report.

Independent Auditor's Report

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

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

When we read the Director's Report including Annexures to Director's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 this Ind AS 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 Ind AS 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 control 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 are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 to 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 Ind AS financial statements of the current year 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.

Independent Auditor's Report

Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we report 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 (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
- d. In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. On the basis of the written representations received from the directors as on March 31, 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2";
- g. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. However, the Company has obtained necessary approvals from the shareholders of the Company by way of a Special Resolution;

- k. 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, as amended, 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 Ind AS financial statements – Refer Note 30 on Contingent Liabilities to the Ind AS financial statements;
 - (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
(c) Based on the audit procedures that are considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - (v) The Company has not declared nor paid any dividend during the year. Hence, reporting the compliance with section 123 of the Act is not applicable.
 - (vi) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For **DMKH & Co.**
Chartered Accountants
ICAI Firm Registration No.0116886W

Manish Kankani

Partner

Membership No.158020

UDIN: 23158020BGUSCY5644

Place: Kolkata

Date: May 29, 2023

Annexure 1 to the Independent Auditor's Report

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of Ashika Credit Capital Limited ("the Company") on the Ind AS financial statements for the year ended March 31, 2023]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Ind AS financial statements of the Company and taking into consideration the information, explanations and written representation given to us by the management and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company does not have any Intangible Assets and accordingly, reporting under clause (i)(a)(B) of paragraph 3 of the Order is not applicable.
- (b) During the year, the Property, Plant and Equipment of the Company have been physically verified by the management and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of lessee) disclosed in the Ind AS financial statements are held in the name of the Company, except for the details given below:

| Description of property | Gross carrying value | Held in name of | Whether promoter, director or their relative or employee | Period held | Reason for not being held in name of Company |
|-------------------------|----------------------|--|--|--------------------|--|
| Buildings | Rs.13.26 Lakhs | Queens Park Estates Pvt. Ltd. and others | No | Since October-2006 | Conveyance is pending |

- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and/or Intangible Assets during the year. Accordingly, reporting under clause (i)(d) of paragraph 3 of the Order is not applicable.
- (e) No proceedings have been initiated or are pending against the Company as at March 31, 2023 for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company does not have any inventory and hence reporting under clause (ii)(a) of paragraph 3 of the Order is not applicable.
- (b) The Company has been sanctioned working capital limits in excess of five crore rupees during the year, in aggregate from financial institutions, on the basis of security of current assets. However, as per the agreement no quarterly returns/statements were required to be submitted by the company to those financial institutions. Further, the Company has not been sanctioned working capital limit in excess of five crore rupees during the year, from banks on the basis of security of current assets.
- (iii) (a) The Company's principal business is to give loans and therefore, reporting under clause (iii)(a) and (e) of paragraph 3 of the Order are not applicable.
- (b) The investments made, security given and the terms and conditions of the grant of all loans and advances in the nature of loans provided by the Company during the year are not prejudicial to the interest of the Company. Further, the Company has not provided any guarantee during the year.
- (c) The schedule of repayment of principal and payment of interest in respect of the loans and advances in the nature of loans has been stipulated.
- Further, we have been given to understand that taking into consideration the nature of business of the Company, the status of repayment of principal and payment of interest, as per the aforesaid stipulated schedule, in respect of loans and advances in the nature of loans keeps changing on a daily basis for cases which are irregular. Hence, it is difficult and impracticable to identify all the instances wherein the repayments or receipts are irregular during the year. As at March 31, 2023, there are no cases outstanding in respect of the loans and advances in the nature of loans which are irregular (includes principal and interest overdue).
- (d) In respect of the aforesaid loans and advances in the nature of loans, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) As informed to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) The Company has complied with the provisions of section 185 of the Act in respect of grant of loans, providing guarantees and securities. Further, the provisions of Section 186, except for Section 186(1) of the Act, are not applicable to the Company as it is engaged in the business of financing.
- (v) The Company is a Non-Banking Finance Company registered with the Reserve Bank of India to which the provisions of sections 73 to

Annexure 1 to the Independent Auditor's Report

76 of the Act and the relevant rules made there under are not applicable. Accordingly, reporting under clause (v) of paragraph 3 of the Order is not applicable.

- (vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of section 148 of the Act and the rules framed there under.
- (vii) (a) The Company is generally regular in depositing with the appropriate authorities, undisputed statutory dues including Goods and Services tax (GST), provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues applicable to it, in all cases during the year. During the year 2017-18, sales tax, value added tax, service tax and duty of excise subsumed in GST and are accordingly reported under GST.
No undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, GST, customs duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) There are no dues with respect to provident fund, employees' state insurance, income tax, GST, sales tax, service tax, value added tax, customs duty, excise duty and cess, which have not been deposited on account of any dispute.
- (viii) We have not come across any transaction which were previously not recorded in the books of account of the Company that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not obtain any money by way of term loans during the year and there were no outstanding term loans at the beginning of the year. Accordingly, reporting under clause (ix)(c) of paragraph 3 of the Order is not applicable.
- (d) On an overall examination of the Ind AS financial statements of the Company, no funds raised on short-term basis, have been used for long-term purposes by the Company.
- (e) During the year ended March 31, 2023, the Company did not have any subsidiaries, associates or joint ventures as defined under the Act. Accordingly, reporting under clause (ix)(e) of paragraph 3 of the Order is not applicable.
- (f) During the year ended March 31, 2023, the Company did not have any subsidiaries, associates or joint ventures as defined under the Act. Accordingly, reporting under clause (ix)(f) of paragraph 3 of the Order is not applicable.
- (x) (a) The Company has not raised money by way of initial public issue offer / further public offer (including debt instruments) during the year. Therefore, reporting under clause (x)(a) of paragraph 3 of the Order is not applicable.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, reporting under clause (x)(b) of paragraph 3 of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company nor any fraud on the Company has been noticed or reported during the year, nor have we been informed of any such instance by the management.
- (b) No report under section 143(12) of the Act has been filed with the Central Government by the auditors of the Company in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, during the year or upto the date of this report. Further the Secretarial Auditor of the Company has informed that to the best of their knowledge and belief, they have not filed any report under section 143(12) of the Act with the Central Government in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, during the year or upto the date of this report.
- (c) There are no whistle blower complaints received by the Company during the year and upto the date of this report.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, reporting under clause (xii) of paragraph 3 of the Order is not applicable.
- (xiii) All 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 Ind AS financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the Internal Audit Reports of the Company issued till date, for the period under audit.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence, provisions of section 192 of the Act are not applicable to the Company.
- (xvi) (a) 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 by the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without having a valid Certificate of

Annexure 1 to the Independent Auditor's Report

Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

- (c) The Company is not a Core Investment Company (CIC) as defined in Core Investment Companies (Reserve Bank) Directions, 2016 ("Directions") by the Reserve Bank of India. Accordingly, reporting under clause (xvi)(c) and (d) of paragraph 3 of the Order are not applicable.
- (d) As informed by the Company, the Group to which the Company belongs has no CIC as part of the Group.
- (xvii) The Company has not incurred cash losses in the current and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly, reporting under clause (xviii) of paragraph 3 of the Order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Ind AS financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which cause us to believe that any material uncertainty exists as on the date of this audit report and that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) There are no unspent amount towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Act in compliance with second proviso to section 135(5) of the said Act. Hence, reporting under clause (xx) of paragraph 3 of the Order is not applicable.

For **DMKH & Co.**

Chartered Accountants
ICAI Firm Registration No.0116886W

Manish Kankani

Partner

Membership No.158020

UDIN: 23158020BGUSCY5644

Place: Kolkata

Date: May 29, 2023

Annexure 2 to the Independent Auditor's Report

[Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of Ashika Credit Capital Limited ("the Company") on the Ind AS financial statements for the year ended March 31, 2023]

Report on the Internal Financial Controls with reference to Ind AS Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Ind AS financial statements of the Company as of March 31, 2023 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 with reference to Ind AS financial statements 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Ind AS financial statements 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 with reference to Ind AS financial statements 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 with reference to Ind AS financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to Ind AS financial statements included obtaining an understanding of internal financial controls with reference to Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls 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 with reference to Ind AS financial statements.

Meaning of Internal Financial Controls with reference to Ind AS Financial Statements

A company's internal financial control with reference to Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Ind AS financial statements 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 Ind AS 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 Ind AS financial statements.

Inherent Limitations of Internal Financial Controls with reference to Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to Ind AS financial statements, 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 with reference to Ind AS financial statements to future periods are subject to the risk that the internal financial controls with reference to Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Annexure 2 to the Independent Auditor's Report

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Ind AS financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to Ind AS financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For **DMKH & Co.**
Chartered Accountants
ICAI Firm Registration No.0116886W

Manish Kankani

Partner

Membership No.158020

UDIN: 23158020BGUSCY5644

Place: Kolkata

Date: May 29, 2023

Balance Sheet as at 31st March, 2023

(₹ in Lakhs)

| Particulars | Note No. | As at 31st March, 2023 | As at 31st March, 2022 |
|---|----------|------------------------|------------------------|
| ASSETS | | | |
| (1) Financial Assets | | | |
| (a) Cash and Cash Equivalents | 2 | 21.27 | 23.76 |
| (b) Bank Balance other than (a) above | 3 | 18.79 | 19.73 |
| (c) Receivables | 4 | | |
| (i) Trade receivables | | - | - |
| (ii) Other receivables | | 50.92 | 14.07 |
| (d) Loans | 5 | 1,972.17 | 1,651.28 |
| (e) Investments | 6 | 3,711.19 | 4,348.38 |
| (f) Other Financial Assets | 7 | 1.93 | 1.93 |
| (2) Non-Financial Assets | | | |
| (a) Current Tax Assets (net) | 8 | 6.34 | 58.41 |
| (b) Deferred Tax Assets (net) | 9 | 29.56 | 47.24 |
| (c) Investment Property | 10 | 12.06 | 12.31 |
| (d) Property, Plant and Equipment | 11 | 19.25 | 4.58 |
| (e) Other Non-Financial Assets | 12 | 61.55 | 51.18 |
| TOTAL ASSETS | | 5,905.03 | 6,232.87 |
| LIABILITIES AND EQUITY | | | |
| LIABILITIES | | | |
| (1) Financial Liabilities | | | |
| (a) Derivative financial instruments | 13 | 1.73 | 0.05 |
| (b) Payables | 14 | | |
| (I) Trade Payables | | | |
| (i) Total outstanding dues of micro enterprises and small enterprises | | - | - |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | | - | - |
| (II) Other Payables | | | |
| (i) Total outstanding dues of micro enterprises and small enterprises | | - | - |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | | - | - |
| (c) Borrowings (Other than Debt Securities) | 15 | 3.35 | 977.08 |
| (d) Other Financial Liabilities | 16 | 61.82 | 56.50 |
| (2) Non-Financial Liabilities | | | |
| (a) Current Tax Liabilities (net) | 17 | 62.11 | 16.19 |
| (b) Provisions | 18 | 30.81 | 28.17 |
| (c) Other Non-Financial Liabilities | 19 | 9.42 | 9.20 |
| TOTAL LIABILITIES | | 169.24 | 1,087.19 |
| (3) Equity | | | |
| (a) Equity Share Capital | 20 | 1,188.17 | 1,188.17 |
| (b) Other Equity | 21 | 4,547.62 | 3,957.51 |
| TOTAL EQUITY | | 5,735.79 | 5,145.68 |
| TOTAL LIABILITIES AND EQUITY | | 5,905.03 | 6,232.87 |

Significant Accounting Policies and Notes to Financial Statements

1-52

The Notes referred to above form an integral part of the Balance Sheet. This is the Balance Sheet referred to in our report of even date.

For **DMKH & Co.**

For and on behalf of the Board of Directors

Chartered Accountants
ICAI Firm Registration No. 0116886W

Manish Kankani

Partner
Membership No. 158020

Pawan Jain
Executive Chairman
(DIN: 00038076)
Place: Kolkata

Daulat Jain
Managing Director & Chief Executive Officer
(DIN: 00040088)
Place: Kolkata

Anju Mundhra
Company Secretary
(F6686)
Place: Kolkata

Gaurav Jain
Chief Financial Officer
Place: Kolkata

Place: Kolkata
Date: May 29, 2023

Statement of Profit and Loss for the year ended 31st March, 2023 (₹ in Lakhs)

| Particulars | Note No. | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|--|----------|--------------------------------|--------------------------------|
| REVENUE FROM OPERATIONS | | | |
| (i) Interest Income | 22 | 472.92 | 623.29 |
| (ii) Net gain on fair value changes | 23 | 586.73 | 53.25 |
| (I) Total Revenue from Operations | | 1,059.65 | 676.54 |
| (II) Other Income | 24 | 145.56 | 46.92 |
| (III) Total Income (I+II) | | 1,205.21 | 723.46 |
| EXPENSES | | | |
| (i) Finance Costs | 25 | 11.56 | 8.49 |
| (ii) Net loss on fair value changes | 23 | - | 195.54 |
| (iii) Impairment on Financial Instruments (net) | 26 | (48.80) | (405.69) |
| (iv) Employee Benefits Expenses | 27 | 270.70 | 269.21 |
| (v) Depreciation, Amortisation and Impairment Expense | 10-11 | 0.78 | 0.55 |
| (vi) Other Expenses | 28 | 176.60 | 111.10 |
| (IV) Total Expenses | | 410.84 | 179.20 |
| (V) Profit Before Exceptional items & Tax (III-IV) | | 794.37 | 544.26 |
| (VI) Exceptional Items | | - | - |
| (VII) Profit Before Tax (V-VI) | | 794.37 | 544.26 |
| (VIII) Tax Expense: | | | |
| (a) Current Tax | | 188.36 | 46.82 |
| (b) Deferred Tax | | 17.15 | 145.81 |
| (c) Tax in respect of earlier years | | 0.34 | 0.96 |
| (IX) Profit After Tax (VII-VIII) | | 588.52 | 350.67 |
| (X) Other Comprehensive Income | | | |
| (i) Items that will not be reclassified to Profit or Loss | | | |
| (a) Remeasurement Gain/ (Loss) on Defined Benefit Plans | | 2.12 | 2.76 |
| (b) Income tax on above | | (0.53) | (0.77) |
| Total Other Comprehensive Income (net of tax) | | 1.59 | 1.99 |
| (XI) Total Comprehensive Income (IX+X) | | 590.11 | 352.66 |
| (XII) Earnings per Equity Share (Face Value ₹ 10/- per share) | 29 | | |
| Basic and diluted (in ₹) | | 4.95 | 2.95 |

Significant Accounting Policies and Notes to Financial Statements 1-52

The Notes referred to above form an integral part of the Statement of Profit and Loss. This is the Statement of Profit and Loss referred to in our report of even date.

For **DMKH & Co.**

Chartered Accountants

ICAI Firm Registration No. 0116886W

Manish Kankani

Partner

Membership No. 158020

Place: Kolkata

Date: May 29, 2023

For and on behalf of the Board of Directors

Pawan Jain

Executive Chairman

(DIN: 00038076)

Place: Kolkata

Anju Mundhra

Company Secretary

(F6686)

Place: Kolkata

Daulat Jain

Managing Director & Chief Executive Officer

(DIN: 00040088)

Place: Kolkata

Gaurav Jain

Chief Financial Officer

Place: Kolkata

Statement of Cash Flows for the year ended 31st March, 2023

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|--------------------------------|--------------------------------|
| A. Cash Flow from Operating Activities | | |
| Profit/ (Loss) Before Tax | 794.37 | 544.26 |
| Adjustments for: | | |
| Depreciation, Amortisation and Impairment Expense | 0.78 | 0.55 |
| Sundry Balance written off | - | 0.13 |
| Net unrealised fair value loss on investments | (190.90) | 269.29 |
| Impairment on Financial Instruments (net) | (48.80) | (405.69) |
| Finance Cost | 8.24 | 7.42 |
| Interest Income | (472.92) | (623.29) |
| Interest on income tax refund | (0.56) | (16.92) |
| Interest on income tax | 3.32 | 1.07 |
| Operating profit before working capital changes | 93.53 | (223.18) |
| Movements in Working Capital : | | |
| (Increase) / Decrease in Loans | (320.45) | 2,921.05 |
| Increase / (Decrease) in Other Financial Liabilities | 6.23 | 14.05 |
| Increase / (Decrease) in Other Non-Financial Liabilities | 4.98 | 12.41 |
| (Increase) / Decrease in Other Non-Financial Assets | (10.37) | (7.41) |
| (Increase) / Decrease in Investments | 828.09 | (4,617.67) |
| (Increase) / Decrease in Receivables | (36.85) | (14.07) |
| Increase / (Decrease) in Derivatives financial instruments | 1.68 | 0.05 |
| Cash Generated/ (Used) in Operations | 566.84 | (1,914.77) |
| Advance taxes paid (including Tax Deducted at Source and net of Refunds) | (90.16) | 37.83 |
| Interest on Loan Received | 521.34 | 696.78 |
| Finance Cost Paid | (10.28) | (5.34) |
| Net Cash Generated from/ (Used in) Operating Activities (A) | 987.74 | (1,185.50) |
| B. Cash Flow from Investing Activities | | |
| Purchase of Property, Plant and Equipment | (15.20) | - |
| Net Cash Generated from/ (Used in) Investing Activities (B) | (15.20) | - |
| C. Cash Flow from Financing Activities | | |
| Amount received from borrowings (other than debt securities) | 3,600.00 | 2,680.00 |
| Repayment of borrowings (other than debt securities) | (4,575.00) | (1,705.00) |
| Net Cash Generated from/ (Used in) Financing Activities (C) | (975.00) | 975.00 |
| Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C) | (2.46) | (210.50) |
| Cash and Cash Equivalents at the beginning of the year | 23.76 | 234.26 |
| Cash and Cash Equivalents at the end of the year (refer Note No. 2)* | 21.30 | 23.76 |

* The amount is exclusive of allowance for expected credit loss on balances with bank amounting to 0.03 lakhs(31st March 2022 : Nil)

(₹ in Lakhs)

| Components of Cash and Cash Equivalents: | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---------------------------|---------------------------|
| Cash and Cash Equivalents at the end of the year | | |
| (a) Cash on hand | 10.23 | 2.69 |
| (b) Balances with Banks - in Current Account | 11.07 | 21.07 |
| Less: Impairment loss allowance | (0.03) | - |
| | 21.27 | 23.76 |

Statement of Cash Flows for the year ended 31st March, 2023

(₹ in Lakhs)

Changes in Cash Flows from Financing Activities

| Particulars | As at 1st April, 2022 | Movement | | As at 31st March, 2023 |
|---|--------------------------|----------|----------|---------------------------|
| | | Cash | Non-Cash | |
| Borrowings (Other than Debt Securities) | 977.08 | (977.08) | 3.35 | 3.35 |

(₹ in Lakhs)

| Particulars | As at 1st April, 2021 | Movement | | As at 31st March, 2022 |
|---|--------------------------|----------|----------|---------------------------|
| | | Cash | Non-Cash | |
| Borrowings (Other than Debt Securities) | - | 975.00 | 2.08 | 977.08 |

Explanations:

- The above Statement of Cash Flows has been prepared under the Indirect Method as set out in the Indian Accounting Standard 7 'Statement of Cash Flows'.
- Figures pertaining to previous year have been rearranged/ regrouped, wherever necessary, to make them comparable with those of current year.

This is the Statement of Cash Flows referred to in our report of even date.

For **DMKH & Co.**

Chartered Accountants

ICAI Firm Registration No. 0116886W

Manish Kankani

Partner

Membership No. 158020

Place: Kolkata

Date: May 29, 2023

For and on behalf of the Board of Directors

Pawan Jain

Executive Chairman

(DIN: 00038076)

Place: Kolkata

Anju Mundhra

Company Secretary

(F6686)

Place: Kolkata

Daulat Jain

Managing Director & Chief Executive Officer

(DIN: 00040088)

Place: Kolkata

Gaurav Jain

Chief Financial Officer

Place: Kolkata

Statement of Changes in Equity for the year ended 31st March, 2023

A. Equity Share Capital

(₹ in Lakhs)

| Balance as at 1st April, 2022 | Issued During the Year | Reductions During the Year | Balance as at 31st March, 2023 |
|-------------------------------|------------------------|----------------------------|--------------------------------|
| 1,188.17 | - | - | 1,188.17 |

(₹ in Lakhs)

| Balance as at 1st April, 2021 | Issued During the Year | Reductions During the Year | Balance as at 31st March, 2022 |
|-------------------------------|------------------------|----------------------------|--------------------------------|
| 1,188.17 | - | - | 1,188.17 |

B. Other Equity

(₹ in Lakhs)

| Particulars | Reserves and Surplus | | | Total |
|--|---|--------------------|-------------------|-----------------|
| | Statutory Reserve (pursuant to Section 45-IC of The Reserve Bank of India Act, 1934) | Securities Premium | Retained Earnings | |
| Balance as at the 1st April, 2021 | 368.36 | 3,362.01 | (125.52) | 3,604.85 |
| Profit/ (Loss) after tax for the year | - | - | 350.67 | 350.67 |
| Remeasurement Gain/ (Loss) on Defined Benefit Plans (net of tax) | - | - | 1.99 | 1.99 |
| Transfer to/(from) retained earnings | 70.13 | - | (70.13) | - |
| Balance as at 31st March, 2022 | 438.49 | 3,362.01 | 157.01 | 3,957.51 |
| Balance as at the 1st April, 2022 | 438.49 | 3,362.01 | 157.01 | 3,957.51 |
| Profit/ (Loss) after tax for the year | - | - | 588.52 | 588.52 |
| Remeasurement Gain/ (Loss) on Defined Benefit Plans (net of tax) | - | - | 1.59 | 1.59 |
| Transfer to/(from) retained earnings | 117.70 | - | (117.70) | - |
| Balance as at 31st March, 2023 | 556.19 | 3,362.01 | 629.42 | 4,547.62 |

Refer Note No. 21 for nature and purpose of reserves.

This is the Statement of Changes in Equity referred to in our report of even date.

For **DMKH & Co.**

Chartered Accountants

ICAI Firm Registration No. 0116886W

Manish Kankani

Partner

Membership No. 158020

Place: Kolkata

Date: May 29, 2023

For and on behalf of the Board of Directors

Pawan Jain

Executive Chairman

(DIN: 00038076)

Place: Kolkata

Anju Mundhra

Company Secretary

(F6686)

Place: Kolkata

Daulat Jain

Managing Director & Chief Executive Officer

(DIN: 00040088)

Place: Kolkata

Gaurav Jain

Chief Financial Officer

Place: Kolkata

Significant Accounting Policies and Notes to Financial Statements

1(a) Corporate Information

Ashika Credit Capital Limited (the "Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in fund-based activities like providing loans and advances, inter-corporate deposits, loans against securities and investments in shares and securities. The Company provides services to individuals, corporate and financial institutions. The shares of the Company are listed on BSE Limited, The Calcutta Stock Exchange Limited and Metropolitan Stock Exchange of India Limited. The Company received a certificate of registration from the Reserve Bank of India ("the RBI") on 7th September, 1998 to commence/carry on the business of Non-Banking Financial Institution ("NBFI"), without accepting deposits, classified as a Base Layer (BL) NBFC. The registration details are as follows:

| | |
|---------------------------------|-----------------------|
| RBI | 05.2892 |
| Corporate Identity Number (CIN) | L67120WB1994PLC062159 |

The registered office of the Company and the principal place of business is 'Trinity', 226/1, A.J.C. Bose Road, 7th Floor, Kolkata – 700020.

The financial statements of the Company for the year ended 31st March, 2023 were approved for issue in accordance with the resolution of the Board of Directors on 29th May, 2023.

1(b) Significant Accounting Policies

1.1 Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, other relevant provision of the Act and guidelines issued by the RBI and notification for implementation of Indian Accounting Standards vide circular RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 (RBI Notification for Implementation of Ind AS) issued by RBI.

1.2 Basis of preparation and presentation

The financial statements of the Company have been prepared in accordance with Ind AS notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. The financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Ind AS at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The accounting policies are applied consistently to all the periods presented in the financial statements.

The preparation of financial statements require the use of certain significant accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving higher degree of judgement or complexity, or areas where assumptions are significant to the Company are discussed in Note No. 1.16 - Significant accounting judgements, estimates and assumptions.

The management believes that the estimates used in preparation of financial statements are prudent and reasonable.

Actual results could differ from those estimates and the differences between the actual results and the estimates would be recognised in the periods in which the results are known / materialised.

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest Lakh, except otherwise indicated

Comparative information has been restated to accord with changes in presentations made in the current year, except where otherwise stated.

The accounting policies for some specific items are disclosed in the respective notes to the financial statements. Other significant accounting policies and details of significant accounting assumptions and estimates are set out below in Note No. 1.3 to 1.18.

The financial statements of the Company are presented as per Schedule III (Division III) to the Act applicable to Non-Banking Financial Companies (NBFCs), as notified by the Ministry of Corporate Affairs (MCA).

1.3 Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company, it can be reliably measured and it is reasonable to expect ultimate collection.

(A) Revenue from Operations:

Revenue from Operations is recognised in the Statement of Profit and Loss on an accrual basis as stated herein below:

- Interest income from financial assets is recognised by applying the Effective Interest Rate ('EIR') to the gross carrying amount of financial assets, other than credit-impaired assets and those classified as measured at Fair Value through Profit or Loss (FVTPL) or Fair Value through Other Comprehensive Income (FVTOCI). The basis of computation of EIR is discussed in Note No. 1.14.3.

Significant Accounting Policies and Notes to Financial Statements

Any subsequent changes in the estimation of the future cash flows having impact on EIR are recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

- b) Interest Income on credit impaired financial assets is recognised by applying the effective interest rate to the net amortised cost (i.e. after considering impairment loss allowance) of the financial assets.
- c) Income or net gain on fair value changes for financial assets classified as measured at FVTPL and FVTOCI is recognised as discussed in Note No. 1.14.3.
- d) Revenue from trading in securities/intraday transactions is accounted for on trade date basis.
- e) Income from dividend is recognised when the Company's right to receive such dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

(B) Other Income:

All other items of income are accounted for on accrual basis.

1.4 Leases

a) Arrangements where the Company is the lessee

The Company assesses whether a contract contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments in the Statement of Profit and Loss as operating expenses over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability i.e. the present value of the future lease payments, adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease payments are discounted using the interest rate implicit in the lease or if not readily determinable using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company change its assessment whether it will exercise an extension or a termination option.

b) Arrangements where the Company is the lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognised in the Statement of Profit and Loss.

1.5 Borrowing Costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds including interest expense calculated using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Other income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Interest expense includes origination costs that are initially recognised as part of the carrying value of the financial liability and amortized over the expected life using the EIR. It also include expenses related to borrowing which are not part of effective interest as not directly related to loan origination.

Significant Accounting Policies and Notes to Financial Statements

1.6 Employee Benefits

1.6.1 Retirement benefit costs and other employee benefits

(A) Defined Contribution Plans:

Contributions to Provident Fund, Pension Fund and Employee State Insurance are considered as defined contribution plans and are recognised as expenditure when an employee renders related services.

(B) Defined Benefit Plans:

Gratuity Liability is a defined benefit plan. The cost of providing benefits is determined based on actuarial valuation carried out by an independent actuary using the projected unit credit method.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected under retained earnings and is not reclassified to the Statement of Profit and Loss.

(C) Short-term and other long-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period in which related service is rendered.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

1.7 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is determined at the amount of tax payable in respect of taxable profit for the year as per the Income-tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates that have been enacted or substantially enacted at the reporting period.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Deferred tax

The Company's deferred tax is calculated using tax rate that are substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences, unused tax credits and unused tax losses being carried forward, to the extent that it is probable that taxable profits will be available in future against which these can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Current and deferred tax for the "Year"

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.8 Property, Plant and Equipment

Property, plant and equipment shown in the balance sheet consists of assets used in the provision of services or for administrative purposes.

Initial and subsequent recognition

Property, plant and equipment are initially recognised at cost together with borrowing cost capitalized for qualifying assets. Cost comprises the purchase price and any directly attributable cost of bringing the asset to the location and its working condition for

Significant Accounting Policies and Notes to Financial Statements

its intended use. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent to initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

Depreciation

Depreciation commences when the assets are ready for their intended use. It is recognised to write down the cost of the property, plant and equipment to their residual values over their useful lives, using the straight-line basis. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The Company has adopted the useful life as specified in Schedule II to the Act.

Depreciation on right-of-use asset is charged to Statement of Profit and Loss on straight line basis over the life of the asset.

Depreciation on assets purchased / sold during the period is recognised on a pro-rata basis.

1.9 Investment Property

Properties, held to earn rentals and/or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs.

Depreciation is recognised using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Act. The estimated useful life, residual values and depreciation method are reviewed at the end of each reporting period and the effect of any change in the estimates accounted for on prospective basis.

An investment property is de-recognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of property (calculated as difference between net disposal proceeds and the carrying amount of the asset) is recognised in the Statement of Profit and Loss in the period in which the property is de-recognised.

1.10 Impairment of Non-Financial Assets

At the end of each reporting period, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

1.11 Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value

Significant Accounting Policies and Notes to Financial Statements

of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

In case of litigations, provision is recognised once it has been established that the Company has a present obligation based on information available up to the date on which the Company's financial statements are finalised and may in some cases entail seeking expert advice in making the determination on whether there is a present obligation.

Contingent Liabilities

Contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. Company does not recognise contingent liability but discloses its existence in the financial statements.

Contingent Assets

Contingent assets are not recognised in the financial statements, but are disclosed where an inflow of economic benefits is probable.

1.12 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, balances with banks, cheques on hand, remittances in transit and short-term investments with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1.13 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker (CODM). The CODM assess the financial performance and position of the Company and makes strategic decisions.

The Company is predominantly engaged in a single reportable segment of 'Financial Services' as per the Ind AS 108 - Segment Reporting.

1.14 Financial Instruments

Classification of financial instruments

The Company classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost
2. Financial assets to be measured at fair value through other comprehensive income
3. Financial assets to be measured at fair value through profit or loss

The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets which are explained below:

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed.
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

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The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Company classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

1.14.1 Recognition of Financial Instruments:

Financial assets and financial liabilities are recognised when entity becomes a party to the contractual provisions of the instruments. Loans & advances and all other regular way purchases or sales of financial assets are recognised and de-recognised on the trade date basis.

1.14.2 Initial Measurement of Financial Instruments:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

1.14.3 Subsequent Measurement:

(A) Financial Assets

Financial Assets carried at Amortised Cost:

These financial assets comprise Bank Balances, Loans, Trade Receivables, Other Receivables, Investments and Other financial assets.

A financial asset is measured at amortised cost, if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI):

A financial asset is measured at FVTOCI, if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at Fair Value through Profit or Loss (FVTPL):

A financial asset which is not classified as Amortised Cost or FVTOCI is measured at FVTPL. Financial assets at FVTPL include financial assets held for trading and financial assets designated upon initial recognition as at FVTPL. A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL

Any differences between the fair values of financial assets classified as FVTPL and held by the Company on the balance sheet date is recognised in the Statement of Profit and Loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gain on fair value changes" under Revenue from Operations and if there is a net loss the same is recognised in "Net loss on fair value changes" under Expenses in the Statement of Profit and Loss.

Effective Interest Rate (EIR) Method:

The EIR is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability on initial recognition

The EIR for financial assets or financial liability is computed:

- a) By considering all the contractual terms of the financial instrument in estimating the cash flows.

Significant Accounting Policies and Notes to Financial Statements

- b) Including fees and transaction costs that are integral part of EIR.

Impairment of Financial Assets:

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and FVTOCI at each reporting date based on evidence or information that is available without undue cost or effort.

The Company measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for that financial asset at an amount equal to 12-month expected credit losses.

No Expected credit losses are recognised on equity investments.

Also refer Note No. 1.14.6 Overview of the Expected Credit Loss (ECL) principles.

De-recognition of Financial Assets:

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On de-recognition of a financial asset accounted under Ind AS 109 in its entirety:

- a) For Financial Assets measured at Amortised Cost, the gain or loss is recognised in the Statement of Profit and Loss.
- b) For Financial Assets measured at FVTOCI, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves may be reclassified within equity.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for de-recognition in its entirety, the previous carrying amount of the larger financial asset shall be allocated between the part that continues to be recognised and the part that is de-recognised, on the basis of the relative fair values of those parts on the date of the transfer.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, it recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, it continues to recognise the financial asset and also recognises a liability for the proceeds received.

Modification/ revision in estimates of cash flows of financial assets:

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the de-recognition of that financial asset in accordance with Ind AS 109, the Company recalculates the gross carrying amount of the financial asset and recognises a modification gain or loss in the Statement of Profit and Loss.

(B) Financial Liabilities and Equity Instruments

Classification as debt or equity:

Financial liabilities and equity instruments issued are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An Equity Instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial Liabilities

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at FVTPL. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Financial Liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 - "Financial Instruments".

Financial Liabilities measured at Amortised Cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method except for those designated in an effective hedging relationship.

Amortised cost is calculated by taking into account any discount or premium and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Statement of Profit and Loss. Any difference between the proceeds (net

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of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the EIR method.

Trade and other payables

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year, which are unpaid. They are recognised initially at their fair value and subsequently measured at amortised cost.

Financial Guarantee Contracts

Financial guarantees issued by the Company are those guarantees that require a payment to be made to reimburse the holder of the guarantee for a loss incurred by the holder because the specified debtor fails to make a payment, when due, to the holder in accordance with the terms of a debt instrument. Financial guarantees are recognised initially as a liability at fair value, adjusted for transactions costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

1.14.4 Off-setting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously backed by past practice.

1.14.5 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability

The Principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are as follows:

Level 1 financial instruments: Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments: Those that include one or more unobservable input that is significant to the measurement as whole.

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1.14.6 Overview of the Expected Credit Loss (ECL) principles

Expected credit loss (ECL) is the probability-weighted estimate of credit losses (i.e., the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between scheduled or contractual cash flows and actual expected cash flows. Consequently, ECL subsumes both the amount and timing of payments. It also incorporates available information which is relevant to the assessment, including information about past events, current conditions and reasonable and supportable information about future events and economic conditions at the reporting date.

For portfolio of exposures, ECL is modelled as the product of the probability of default, the loss given default and the exposure at default.

In case of assets identified to be significantly credit-impaired to the extent that default has happened or seems to be a certainty rather than probability, ECL would be determined by directly estimating the receipt of cash flows and timing thereof.

Staging:

The loan portfolio would be classified into three stage-wise buckets – Stage 1, Stage 2 and Stage 3 – corresponding to the contracts assessed as performing, under-performing and non-performing, in accordance with the Ind-AS guidelines. The key parameter used for stage-wise classification would be days past due (DPDs).

Stage 1:

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The company classifies all standard advances and advances upto 60 days default under this category. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2:

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. 60 Days Past Due is considered as significant increase in credit risk.

Stage 3:

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 150 Days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event (for eg. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Company may classify the financial asset in Stage 3 accordingly.

While the presumption for inter-stage threshold for Stage 1 is 30 days, the company has rebutted the presumption and has considered 60 days as the threshold. As per current market practice, NBFCs typically tend to be paid later than banks by borrowers since banks control their working capital financing.

Methodology:

The basis of the ECL calculations are outlined below which is intended to be more forward-looking. Key elements of ECL are, as follows:

Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously de-recognised and is still in the portfolio.

Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The key tenets of Company's methodology are as under:

Past performance as basis for ECL discovery: Company's ECL methodology is based on discovery of the relevant parameters – namely EAD, PD and LGD – from the Company's actual performance of past portfolios.

Life Cycle Determination: A significant portion of the advances of the Company is short-term in nature. Based on maturity pattern on the Company's advances in past years, the average life cycle has been considered as 1 year.

The management will continue to monitor the loan cases on an ongoing basis, and have the discretion to make higher provisions on the basis expected recovery of the individual accounts, wherever considered necessary.

1.14.7 Write-offs

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of

Significant Accounting Policies and Notes to Financial Statements

recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the Statement of profit and loss.

1.15 Earnings per Share ('EPS')

Basic EPS per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

1.16 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

1.16.1 Impairment Charges on loans and advances

The measurement of impairment losses requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These are based on the assumptions which are driven by a number of factors resulting in future changes to the impairment allowance

A collective assessment of impairment takes into account data from the loan portfolio (such as credit quality, nature of assets underlying assets financed, levels of arrears, credit utilization, loan to collateral ratios etc.), and the concentration of risk and economic data (including levels of unemployment, country risk and performance of different individual groups). These significant assumptions have been applied consistently to all period presented

The impairment loss on loans and advances is disclosed in more detail in Note No. 1.14.6 Overview of the ECL principles.

1.16.2 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are de-recognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model, if so, then it will be a prospective change to the classification of those assets.

1.16.3 Provisions other than Loan Impairment

Provisions are held in respect of a range of future obligations such as employee entitlements, litigation provisions, etc. Some of the provisions involve significant judgement about the likely outcome of various events and estimated future cash flows. The measurement of these provisions involves the exercise of management judgements about the ultimate outcomes of the transactions.

1.16.4 Fair Value Measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

1.16.5 Defined Employee Benefit Assets and Liabilities

The cost of the defined benefit gratuity plan/long-term compensated absences and the present value of the gratuity obligation/long-term compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

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1.16.6 EIR Method

The Company's EIR methodology recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

1.16.7 Other Estimates

These include contingent liabilities, useful lives of tangible assets etc.

1.17 Foreign Currency Transactions and Translations

Transactions in foreign currencies are translated to the functional currency of the Company (i.e. INR) at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date and the related foreign currency gains or losses are recognised in the Statement of Profit and Loss.

1.18 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Notes to the Financial Statements as at and for the year ended 31st March, 2023

(₹ in Lakhs)

2. Cash and Cash Equivalents

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--|---------------------------|---------------------------|
| Cash on hand | 10.23 | 2.69 |
| Balances with Banks - in Current Account | 11.07 | 21.07 |
| Total (Gross) | 21.30 | 23.76 |
| Less: Impairment loss allowance | 0.03 | - |
| Total (Net) | 21.27 | 23.76 |

3. Bank Balance other than above

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---------------------------------|---------------------------|---------------------------|
| Balance with Bank | | |
| Unclaimed Dividend Account | 18.83 | 19.73 |
| Total (Gross) | 18.83 | 19.73 |
| Less: Impairment loss allowance | 0.04 | - |
| Total (Net) | 18.79 | 19.73 |

4. Receivables

(i) Trade receivables

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---------------------------|---------------------------|
| Trade receivables considered good-secured | - | - |
| Trade receivables considered good-unsecured | - | - |
| Trade receivables which have significant increase in credit risk | - | - |
| Trade receivables -credit impaired | - | - |
| Gross | - | - |
| Less: Allowances for impairment loss on credit impaired trade receivables | - | - |
| Net | - | - |

(ii) Other receivables

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---------------------------|---------------------------|
| Other receivables considered good-secured | - | - |
| Other receivables considered good-unsecured | 50.92 | 14.07 |
| Other receivables which have significant increase in credit risk | - | - |
| Other receivables - credit impaired | - | - |
| Gross | 50.92 | 14.07 |
| Less: Allowances for impairment loss on credit impaired other receivables | - | - |
| Net | 50.92 | 14.07 |

Ageing Schedules

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | | | | | | Total |
|--|--|--------------------|-----------------|-----------|-----------|-------------------|-------|
| | Outstanding for following periods from the due date of payment | | | | | | |
| | Not due | Less than 6 months | 6 months- 1year | 1-2 years | 2-3 years | more than 3 years | |
| (i) Undisputed Other Receivables – considered good | 50.92 | - | - | - | - | - | 50.92 |
| (ii) Undisputed Other Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Other Receivables – Credit impaired | - | - | - | - | - | - | - |

Notes to the Financial Statements as at and for the year ended 31st March, 2023

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | | | | | | Total |
|---|--|--------------------|------------------|-----------|-----------|-------------------|--------------|
| | Outstanding for following periods from the due date of payment | | | | | | |
| | Not due | Less than 6 months | 6 months- 1 year | 1-2 years | 2-3 years | more than 3 years | |
| (iv) Disputed Other Receivables – considered good | - | - | - | - | - | - | - |
| (v) Disputed Other Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Other Receivables – Credit impaired | - | - | - | - | - | - | - |
| Total | 50.92 | - | - | - | - | - | 50.92 |

| Particulars | As at 31st March, 2022 | | | | | | Total |
|--|--|--------------------|------------------|-----------|-----------|-------------------|--------------|
| | Outstanding for following periods from the due date of payment | | | | | | |
| | Not due | Less than 6 months | 6 months- 1 year | 1-2 years | 2-3 years | more than 3 years | |
| (i) Undisputed Other Receivables – considered good | 14.07 | - | - | - | - | - | 14.07 |
| (ii) Undisputed Other Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Other Receivables –Credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Other Receivables –considered good | - | - | - | - | - | - | - |
| (v) Disputed Other Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Other Receivables –Credit impaired | - | - | - | - | - | - | - |
| Total | 14.07 | - | - | - | - | - | 14.07 |

5. Loans

| Particulars | Amortised Cost | As at 31st March, 2023 At Fair Value | | | | Total |
|--|-----------------|---|------------------------|---|----------|-----------------|
| | | Through Comprehensive Income | Through profit or loss | Designated at fair value through profit or loss | Subtotal | |
| Loans | | | | | | |
| (A) | | | | | | |
| (i) Term Loans | | | | | | |
| -To Related Party | 1,550.00 | - | - | - | - | 1,550.00 |
| -To Others | 453.02 | - | - | - | - | 453.02 |
| (ii) Others | | | | | | |
| -Inter-Corporate Deposits | - | - | - | - | - | - |
| Total A (Gross) | 2,003.02 | - | - | - | - | 2,003.02 |
| Less: Impairment loss allowance | 30.85 | - | - | - | - | 30.85 |
| Total A (Net) | 1,972.17 | | | | | 1,972.17 |
| (B) | | | | | | |
| (i) Secured by tangible assets ¹ | - | - | - | - | - | - |
| (ii) Secured by intangible assets ² | 453.02 | - | - | - | - | 453.02 |
| (iii) Unsecured | 1,550.00 | - | - | - | - | 1,550.00 |
| Total B (Gross) | 2,003.02 | - | - | - | - | 2,003.02 |
| Less: Impairment loss allowance | 30.85 | - | - | - | - | 30.85 |
| Total B (Net) | 1,972.17 | - | - | - | - | 1,972.17 |

Notes to the Financial Statements as at and for the year ended 31st March, 2023

(₹ in Lakhs)

| Particulars | Amortised Cost | As at 31st March, 2023 At Fair Value | | | | Total |
|---|-----------------|---|------------------------|---|----------|-----------------|
| | | Through Other Comprehensive Income | Through profit or loss | Designated at fair value through profit or loss | Subtotal | |
| (C) (I) Loans in India | | | | | | |
| (i) Public Sector | - | - | - | - | - | - |
| (ii) Others | | | | | | |
| -Corporates | 1,550.00 | - | - | - | - | 1,550.00 |
| -Other than Corporates | 453.02 | - | - | - | - | 453.02 |
| Total (C) (I) (Gross) | 2,003.02 | - | - | - | - | 2,003.02 |
| Less: Impairment loss allowance | 30.85 | - | - | - | - | 30.85 |
| Total (C) (I) (Net) | 1,972.17 | - | - | - | - | 1,972.17 |
| (C) (II) Loans outside India | - | - | - | - | - | - |
| Less: Impairment loss allowance | - | - | - | - | - | - |
| Total (C) (II) (Net) | - | - | - | - | - | - |
| Total (C) (I) (Net) and C (II) (Net) | 1,972.17 | - | - | - | - | 1,972.17 |

| Particulars | Amortised Cost | As at 31st March, 2022 At Fair Value | | | | Total |
|--|-----------------|---|------------------------|---|----------|-----------------|
| | | Through Other Comprehensive Income | Through profit or loss | Designated at fair value through profit or loss | Subtotal | |
| Loans | | | | | | |
| (A) | | | | | | |
| (i) Term Loans | 1,698.66 | - | - | - | - | 1,698.66 |
| (ii) Other Loans | | - | - | - | - | |
| -Inter-Corporate Deposits | 35.92 | | | | | 35.92 |
| Total A (Gross) | 1,734.58 | | | | | 1,734.58 |
| Less: Impairment loss allowance | 83.30 | - | - | - | - | 83.30 |
| Total A (Net) | 1,651.28 | - | - | - | - | 1,651.28 |
| (B) | | | | | | |
| (i) Secured by tangible assets ¹ | - | | | | | - |
| (ii) Secured by intangible assets ² | 1,734.58 | - | - | - | - | 1,734.58 |
| (iii) Unsecured | - | - | - | - | - | - |
| Total B (Gross) | 1,734.58 | - | - | - | - | 1,734.58 |
| Less: Impairment loss allowance | 83.30 | - | - | - | - | 83.30 |
| Total B (Net) | 1,651.28 | - | - | - | - | 1,651.28 |
| (C) (I) Loans in India | | | | | | |
| (i) Public Sector | - | | | | | - |
| (ii) Others | | | | | | |
| -Corporates | 406.39 | | | | | 406.39 |
| -Other than Corporates | 1,328.19 | - | - | - | - | 1,328.19 |
| Total (C) (I) (Gross) | 1,734.58 | - | - | - | - | 1,734.58 |
| Less: Impairment loss allowance | 83.30 | - | - | - | - | 83.30 |
| Total (C) (I) (Net) | 1,651.28 | - | - | - | - | 1,651.28 |
| (C) (II) Loans outside India | - | - | - | - | - | - |
| Less: Impairment loss allowance | - | - | - | - | - | - |
| Total (C) (II) (Net) | - | - | - | - | - | - |
| Total (C) (I) (Net) and C (II) (Net) | 1,651.28 | - | - | - | - | 1,651.28 |

1 Secured by underlying hypothecated assets.

2 Secured by pledge of securities.

Notes to the Financial Statements as at and for the year ended 31st March, 2023

(₹ in Lakhs)

i) An analysis of changes in the gross carrying amount of loans is, as follows:

| Particulars | As at 31st March, 2023 | | | | As at 31st March, 2022 | | | |
|--|------------------------|---------|--------------|-----------------|------------------------|---------------|---------------|-----------------|
| | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| Gross carrying amount - opening balance | 1,663.98 | - | 70.60 | 1,734.58 | 3,746.80 | 325.53 | 820.95 | 4,893.28 |
| New assets originated or purchased/ disbursement | 26,432.67 | - | 70.78 | 26,503.45 | 15,830.27 | 37.02 | 71.01 | 15,938.30 |
| Assets derecognised or repaid (excluding write offs) | (26,093.63) | - | (141.38) | (26,235.01) | (17,970.82) | (304.82) | (668.76) | (18,944.40) |
| Transfers to Stage 1 | - | - | - | - | 57.73 | (57.73) | - | - |
| Transfers to Stage 2 | - | - | - | - | - | - | - | - |
| Transfers to Stage 3 | - | - | - | - | - | - | - | - |
| Amounts written off | - | - | - | - | - | - | (152.60) | (152.60) |
| Gross carrying amount - closing balance | 2,003.02 | - | - | 2,003.02 | 1,663.98 | - | 70.60 | 1,734.58 |

ii) Reconciliation of ECL balance is given below:

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | | | | As at 31st March, 2022 | | | |
|--|------------------------|---------|--------------|--------------|------------------------|-------------|---------------|---------------|
| | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| ECL allowance - opening balance | 47.59 | - | 35.71 | 83.30 | 70.38 | 6.11 | 576.68 | 653.17 |
| New assets originated or purchased/ disbursement | 755.97 | - | 33.93 | 789.90 | 297.61 | 0.70 | 44.47 | 342.78 |
| Assets derecognised or repaid (excluding write offs) | (746.28) | - | (69.64) | (815.92) | (337.80) | (5.72) | (422.48) | (766.00) |
| Changes in ECL rate from previous financial year | (26.43) | - | - | (26.43) | 16.31 | - | (10.36) | 5.95 |
| Transfers to Stage 1 | - | - | - | - | 1.09 | (1.09) | - | - |
| Transfers to Stage 2 | - | - | - | - | - | - | - | - |
| Transfers to Stage 3 | - | - | - | - | - | - | - | - |
| Impact on year end ECL of exposures transferred between stages during the year | - | - | - | - | - | - | - | - |
| Amounts written off | - | - | - | - | - | - | (152.60) | (152.60) |
| ECL allowance - closing balance | 30.85 | - | - | 30.85 | 47.59 | 0.00 | 35.71 | 83.30 |

iii) The contractual amount outstanding on loan assets that were written off during the reporting period and are still subject to enforcement activity is ₹ Nil (31st March, 2022: ₹ 135.65 Lakhs).

iv) The change in Expected Credit Loss Allowance of the portfolio was driven by a change in the size of the portfolio, change in the composition of the portfolio and movements between stages as a result of increase or decrease in credit risk of the borrowers.

6. Investments

| Particulars | Amortised Cost | As at 31st March, 2023 At Fair Value | | | Total |
|--|----------------|---|------------------------|---|-----------------|
| | | Through Other Comprehensive Income | Through profit or loss | Designated at fair value through profit or loss | |
| Debt Securities | - | - | 1,001.26 | - | 1,001.26 |
| Equity instruments | - | - | 2,709.93 | - | 2,709.93 |
| Total Gross (A) | - | - | 3,711.19 | - | 3,711.19 |
| (i) Investments outside India | - | - | - | - | - |
| (ii) Investments in India | - | - | 3,711.19 | - | 3,711.19 |
| Total Gross (B) | - | - | 3,711.19 | - | 3,711.19 |
| Less: Allowances for Impairment loss (C) | - | - | - | - | - |
| Total - Net D=(A)-(C) | - | - | 3,711.19 | - | 3,711.19 |

Notes to the Financial Statements as at and for the year ended 31st March, 2023

(₹ in Lakhs)

| Particulars | Amortised Cost | As at 31st March, 2022 At Fair Value | | | Total |
|--|----------------|---|------------------------|---|-----------------|
| | | Through Other Comprehensive Income | Through profit or loss | Designated at fair value through profit or loss | |
| Debt Securities | - | - | - | - | - |
| Equity instruments | - | - | 4,348.38 | - | 4,348.38 |
| Total Gross (A) | - | - | 4,348.38 | - | 4,348.38 |
| (i) Investments outside India | - | - | - | - | - |
| (ii) Investments in India | - | - | 4,348.38 | - | 4,348.38 |
| Total Gross (B) | - | - | 4,348.38 | - | 4,348.38 |
| Less: Allowances for Impairment loss (C) | - | - | - | - | - |
| Total - Net D=(A)-(C) | - | - | 4,348.38 | - | 4,348.38 |

| Particulars | Face Value (₹) | Quantity | | ₹ in Lakhs | |
|--|----------------|------------------------|------------------------|------------------------|------------------------|
| | | As at 31st March, 2023 | As at 31st March, 2022 | As at 31st March, 2023 | As at 31st March, 2022 |
| Investment Carried at Fair Value through Profit or Loss | | | | | |
| In Equity Instruments (quoted) | | | | | |
| Bhagyanagar Properties Ltd. | 2 | - | 12,847 | - | 4.15 |
| Butterfly Gandhimathi Appliances Ltd. | 10 | - | 11,195 | - | 155.51 |
| Eureka Forbes Ltd. | 10 | 46,047 | - | 196.48 | - |
| Escorts Ltd.* | 10 | - | 2,27,000 | - | 3,838.23 |
| Federal-Mogul Goetze Ltd. | 10 | - | 30,000 | - | 79.70 |
| HealthCare Global Enterprises Ltd. | 10 | 45,000 | - | 118.10 | - |
| Hikal Ltd. | 2 | 63,000 | - | 177.44 | - |
| Music Broadcast Ltd. | 2 | - | 10,49,561 | - | 270.78 |
| R Systems Interational Ltd. | 1 | 4,02,318 | - | 1,024.30 | - |
| RPSG Ventures Ltd. | 10 | 43,651 | - | 159.28 | - |
| Suven Pharma Ltd. | 1 | 1,42,056 | - | 671.07 | - |
| Vadilal Industries Ltd. | 10 | 4,000 | - | 87.85 | - |
| Zomato Ltd. | 1 | 5,40,000 | - | 275.40 | - |
| In Equity Instruments (Unquoted) | | | | | |
| -Maniratnam Flat Owners Association | 1 | 1,298 | 1,298 | 0.01 | 0.01 |
| In Debt Securities (Unquoted) | | | | | |
| -Kotak Bond Fund | 10 | 4,63,438 | - | 300.53 | - |
| -Kotak Gilt Fund | 10 | 2,45,127 | - | 200.19 | - |
| -Kotak Money Market Fund | 1000 | 2,635 | - | 100.23 | - |
| -SBI Magnum Gilt Fund | 10 | 3,63,151 | - | 200.22 | - |
| -Tata Gilt Index Fund | 10 | 19,30,527 | - | 200.09 | - |
| Total | | 42,92,248 | 13,31,901 | 3,711.19 | 4,348.38 |

* Shares tendered in open offer and hence not reflected in demat account of the company since transferred to escrow account maintained with registrar of Escorts Ltd. The ratio at which the shares will be accepted is not finalised on balance sheet date. Since, the acceptance ratio is not finalised on balance sheet date, the amount has been shown under investment.

More information regarding the valuation methodologies can be found in Note No. 35(B).

7. Other Financial Assets

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--------------------------|------------------------|------------------------|
| Security Deposits | | |
| -To Related Parties | 1.60 | 1.60 |
| -To Others | 0.33 | 0.33 |
| Total | 1.93 | 1.93 |

Notes to the Financial Statements as at and for the year ended 31st March, 2023

(₹ in Lakhs)

8. Current Tax Assets (net)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---------------------------|---------------------------|
| Advance income tax [(Net of provision for income tax ₹ 47.48) (31st March, 2022: ₹ 88.48)] | 6.34 | 58.41 |
| Total | 6.34 | 58.41 |

Reconciliation of the total tax charge:

The tax charge shown in the Statement of Profit and Loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended 31st March, 2023 and 31st March, 2022 is, as follows:

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|--------------------------------|--------------------------------|
| Accounting profit before tax | 794.37 | 544.26 |
| Statutory Income Tax Rate | 25.17% | 27.82% |
| Expected income tax expense at statutory income tax rate | 199.93 | 151.41 |
| (i) Income exempt from tax / Items not deductible (net) | 11.42 | 3.17 |
| (ii) Effect of indexation benefit / different tax rate on certain items | - | - |
| (iii) Other differences | (5.50) | 39.01 |
| Total Tax Expense recognised in Statement of Profit and Loss | 205.85 | 193.59 |
| Total Tax Expense recognised in Other Comprehensive Income | (0.53) | (0.77) |

9. Deferred Tax Assets / (Deferred Tax Liabilities) (net)

(₹ in Lakhs)

| Particulars | As at 1st April, 2022 | Recognised / (reversed) in Statement of Profit and Loss | Recognised / (reversed) in Other Comprehensive Income | Others* | As at 31st March, 2023 |
|--|--------------------------|--|--|---------|---------------------------|
| MAT Credit Entitlement | - | - | - | - | - |
| Loss under Income Tax | - | - | - | - | - |
| Property Plant and Equipment | (0.02) | (0.22) | - | - | (0.24) |
| Provision for Post retirement benefits | 7.84 | 1.26 | (0.53) | - | 8.57 |
| Provision for Investments | 44.95 | (31.50) | - | - | 13.45 |
| Loans measured at Amortised Cost | (5.53) | 13.31 | - | - | 7.78 |
| Net Deferred Tax Assets / (Liabilities) | 47.24 | (17.15) | (0.53) | - | 29.56 |

| Particulars | As at 1st April, 2021 | Recognised / (reversed) in Statement of Profit and Loss | Recognised / (reversed) in Other Comprehensive Income | Others* | As at 31st March, 2022 |
|--|--------------------------|--|--|-------------|---------------------------|
| MAT Credit Entitlement | 21.59 | (23.36) | - | 1.77 | - |
| Loss under Income Tax | 1.35 | (1.35) | - | - | - |
| Property Plant and Equipment | (0.05) | 0.03 | - | - | (0.02) |
| Provision for Post retirement benefits | 7.69 | 0.92 | (0.77) | - | 7.84 |
| Provision for Investments | - | 44.95 | - | - | 44.95 |
| Loans measured at Amortised Cost | 161.47 | (167.00) | - | - | (5.53) |
| Net Deferred Tax Assets / (Liabilities) | 192.05 | (145.81) | (0.77) | 1.77 | 47.24 |

* MAT Credit Entitlement utilised against provision for income tax.

Notes to the Financial Statements as at and for the year ended 31st March, 2023

(₹ in Lakhs)

10. Investment Property

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--|---------------------------|---------------------------|
| Building* | | |
| Opening Gross Carrying Amount | 13.26 | 13.26 |
| Additions / Adjustments | - | - |
| Disposals / Adjustments | - | - |
| Closing Gross Carrying Amount | 13.26 | 13.26 |
| Opening Accumulated Depreciation and Impairment Expense | 0.95 | 0.70 |
| Depreciation charge for the year | 0.25 | 0.25 |
| Closing Accumulated Depreciation and Impairment Expense | 1.20 | 0.95 |
| Net Carrying Amount | 12.06 | 12.31 |

(i) Amounts recognised in Statement of Profit and Loss for Investment Property

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|--|--------------------------------|--------------------------------|
| Rental income from investment property | - | - |
| Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the year | - | - |
| Direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental income during the year | 0.36 | 0.34 |

(ii) Fair Value

(₹ in Lakhs)

| Particulars | Level | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---------------------|---------|--------------------------------|--------------------------------|
| Investment Property | Level 2 | 42.19 | 38.53 |

(iii) Brief description of the valuation technique and inputs used to value the Investment Property

"Investment property includes and represents a flat located at "Mani Ratnam Apartment", Diamond Block, 4th floor, flat No.- 4DF, Kharibari Road, Duck Banglo More, Rajarhat Chowmatha, under Rajarhat-Bishnupur-1 No. Gram Panchayet, P.O.-Rajarhat, P.S.- Rajarhat, Dist.- North 24 Parganas, Pincode -700135, West Bengal held for capital appreciation. The fair value of investment property is determined in accordance with the advice of independent, professionally qualified registered valuer. The fair value was derived based on Government Guideline price collected from government website and local enquiry considering the location, position, finishing and age of the property.

(iv) Contractual obligations

The Company has no contractual obligations to purchase, construct or develop investment property. However, the responsibility for its repairs, maintenance or enhancements is with the Company. Also, the property is not pledged.

*The conveyance for the property is still pending.

11. Property, Plant and Equipment

(Rs. in Lakhs)

| Particulars | Gross Carrying Amount | | | | Depreciation and Accumulated Depreciation | | | | Net Carrying Amount |
|---------------------------|-----------------------------|---------------------------------|---------------------------------------|------------------------------|---|--------------------|---------------------------------------|------------------------------|------------------------------|
| | As at 1st April, 2022 | Additions during the year | Disposals and other adjustments | As at 31st March, 2023 | As at 1st April, 2022 | For the year | Disposals and other adjustments | As at 31st March, 2023 | As at 31st March, 2023 |
| | (a) | (b) | (c) | (d=a+b-c) | (e) | (f) | (g) | (h=e+f-g) | (d-h) |
| Assets for Own use | | | | | | | | | |
| Building | 4.72 | - | - | 4.72 | 0.37 | 0.10 | - | 0.47 | 4.25 |
| Office equipments | 1.06 | - | - | 1.06 | 0.83 | - | - | 0.83 | 0.23 |
| Motor Vehicle | - | 15.20 | - | 15.20 | - | 0.43 | - | 0.43 | 14.77 |
| Total | 5.78 | 15.20 | - | 20.98 | 1.20 | 0.53 | - | 1.73 | 19.25 |

Notes to the Financial Statements as at and for the year ended 31st March, 2023

(₹ in Lakhs)

| Particulars | Gross Carrying Amount | | | | Depreciation and Accumulated Depreciation | | | | Net Carrying Amount |
|---------------------------|-----------------------|---------------------------|---------------------------------|------------------------|---|--------------|---------------------------------|------------------------|------------------------|
| | As at 1st April, 2021 | Additions during the year | Disposals and other adjustments | As at 31st March, 2022 | As at 1st April, 2021 | For the year | Disposals and other adjustments | As at 31st March, 2022 | As at 31st March, 2022 |
| | (a) | (b) | (c) | (d=a+b-c) | (e) | (f) | (g) | (h=e+f-g) | (d-h) |
| Assets for Own use | | | | | | | | | |
| Building | 4.72 | - | - | 4.72 | 0.27 | 0.10 | - | 0.37 | 4.35 |
| Office equipments | 1.06 | - | - | 1.06 | 0.63 | 0.20 | - | 0.83 | 0.23 |
| Total | 5.78 | - | - | 5.78 | 0.90 | 0.30 | - | 1.20 | 4.58 |

12. Other Non-Financial Assets

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|------------------------|------------------------|
| Advances to Employees | 7.15 | 7.13 |
| Advances to Vendors for Operating Expenses | 9.23 | 0.20 |
| Prepaid Expenses | 1.95 | 0.63 |
| Balances with Government Authorities | | |
| -Goods and Services Tax (Credit Input Receivable) | 4.45 | 4.45 |
| -Income Tax Paid Under Protest (refer Note No. 30)* | 38.77 | 38.77 |
| Total | 61.55 | 51.18 |

*Pending refund from Income Tax authorities

13. Derivative financial instruments

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | | | As at 31st March, 2022 | | |
|---------------------------|------------------------|-------------------|------------------------|------------------------|-------------------|------------------------|
| | Notional Amounts | Fair Value Assets | Fair Value Liabilities | Notional Amounts | Fair Value Assets | Fair Value Liabilities |
| Equity derivatives | | | | | | |
| -Futures | 96.21 | - | 1.73 | 1,042.03 | - | 0.05 |
| Total | 96.21 | - | 1.73 | 1,042.03 | - | 0.05 |

14. Payables

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|------------------------|------------------------|
| Trade Payables | | |
| - Total outstanding dues of micro enterprises and small enterprises (refer Note No. 14.1) | - | - |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | - | - |
| Other Payables | | |
| - Total outstanding dues of micro enterprises and small enterprises (refer Note No. 14.1) | - | - |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | - | - |
| Total | - | - |

Notes to the Financial Statements as at and for the year ended 31st March, 2023

14.1 Dues of Micro Enterprises and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--|---------------------------|---------------------------|
| a) The principal amount and interest due thereon remaining unpaid to any supplier. | - | - |
| b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day. | - | - |
| c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |
| d) The amount of interest accrued and remaining unpaid. | - | - |
| e) The amount of further interest remaining due and payable even in the succeeding year until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |
| Total | - | - |

Dues as above to the Micro Enterprises and Small Enterprises have been determined by the Management. This has been relied upon by the auditors.

15. Borrowings (Other than Debt Securities)

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | | | |
|---|------------------------|--------------------------------------|---|-------------|
| | At Amortised Cost | At fair value through profit or loss | Designated at fair value through profit or Loss | Total |
| Secured* | | | | |
| -Loans (Line of Credit) from Financial Institutions | 3.35 | - | - | 3.35 |
| Unsecured | | | | |
| -Loans from Related Parties | 0.00 | - | - | - |
| Total | 3.35 | - | - | 3.35 |
| Borrowings in India | 3.35 | - | - | 3.35 |
| Borrowings outside India | - | - | - | - |
| Total | 3.35 | - | - | 3.35 |

| Particulars | As at 31st March, 2022 | | | |
|---|------------------------|--------------------------------------|---|---------------|
| | At Amortised Cost | At fair value through profit or loss | Designated at fair value through profit or Loss | Total |
| Secured* | | | | |
| -Loans (Line of Credit) from Financial Institutions | 2.08 | - | - | 2.08 |
| Unsecured | | | | |
| -Loans from Related Parties | 975.00 | - | - | 975.00 |
| Total | 977.08 | - | - | 977.08 |
| Borrowings in India | 977.08 | - | - | 977.08 |
| Borrowings outside India | - | - | - | - |
| Total | 977.08 | - | - | 977.08 |

* secured against pledge of investment in equity shares

Notes to the Financial Statements as at and for the year ended 31st March, 2023

The borrowings have not been guaranteed by directors or others. The company has not defaulted in repayment of principal and interest to its lenders.

The Company has utilised the funds raised from financial institutions for the specific purpose for which they were borrowed.

The Company has borrowed funds from financial institutions on the basis of security of current assets. There is no pre-condition for submission of any returns and statements, and accordingly the Company is not required to file quarterly returns or statements.

Terms of repayment

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---------------|---------------------------|---------------------------|
| Within 1 year | - | 975.00 |

16. Other Financial Liabilities

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--|---------------------------|---------------------------|
| Payable to Employees | 25.11 | 25.19 |
| Liabilities for Operating Expenses | 11.29 | 11.58 |
| Other payables | 6.59 | - |
| Unpaid Dividends (refer Note No. 16.1) | 18.83 | 19.73 |
| Total | 61.82 | 56.50 |

16.1 To be credited to Investor Education and Protection Fund as and when due. As at 31st March, 2023, there are no amounts due to be transferred to Investor Education and Protection Fund.

17. Current Tax Liabilities (net)

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--|---------------------------|---------------------------|
| Provision For Taxation (Net of Advance Tax ₹ 129.58 , 31st March, 2022: ₹ 31.70) | 62.11 | 16.19 |
| Total | 62.11 | 16.19 |

18. Provisions

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--|---------------------------|---------------------------|
| Provision for Employee Benefits (refer Note No. 31) | | |
| Gratuity | 30.81 | 28.17 |
| Total | 30.81 | 28.17 |

19. Other Non-Financial Liabilities

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|------------------------|---------------------------|---------------------------|
| Statutory Dues Payable | 9.42 | 9.20 |
| Total | 9.42 | 9.20 |

Notes to the Financial Statements as at and for the year ended 31st March, 2023

20. Equity Share Capital

| Particulars | As at 31st March, 2023 | | As at 31st March, 2022 | |
|--|------------------------|-----------------|------------------------|-----------------|
| | No. of Shares | ₹ in Lakhs | No. of Shares | ₹ in Lakhs |
| Authorised | | | | |
| Equity Shares, ₹ 10/- face value per share | 2,02,50,000 | 2,025.00 | 2,02,50,000 | 2,025.00 |
| Total | | 2,025.00 | | 2,025.00 |
| Issued and Subscribed | | | | |
| Equity Shares, ₹ 10/- face value per share | 1,18,86,174 | 1,188.62 | 1,18,86,174 | 1,188.62 |
| Fully Paid-up | | | | |
| Equity Shares, ₹ 10/- face value per share | 1,18,80,000 | 1,188.00 | 1,18,80,000 | 1,188.00 |
| Forfeited Shares | 6,174 | 0.17 | 6,174 | 0.17 |
| Total | | 1,188.17 | | 1,188.17 |

a. Reconciliation of the Number of Equity Shares outstanding

| Particulars | As at 31st March, 2023 | | As at 31st March, 2022 | |
|------------------------------|------------------------|------------|------------------------|------------|
| | No. of Shares | ₹ in Lakhs | No. of Shares | ₹ in Lakhs |
| At the beginning of the year | 1,18,80,000 | 1,188.00 | 1,18,80,000 | 1,188.00 |
| Add: Issued during the year | - | - | - | - |
| At the end of the year | 1,18,80,000 | 1,188.00 | 1,18,80,000 | 1,188.00 |

b. Rights, preferences and restrictions in respect of Equity Shares

The Company's authorised capital consists of one class of shares, referred to as Equity Shares, having face value of ₹ 10/- each. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividend in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

c. Aggregate number of Equity Shares allotted as fully paid-up without payment being received in cash/by way of bonus shares (during 5 years preceding 31st March, 2023)

The Company has not issued any Equity shares during the 5 year preceding 31st March, 2023 without payment being received in cash/by way of bonus shares.

d. The details of Shareholders holding more than 5% of the equity shares each, are set out below:

(₹ in Lakhs)

| Name of the shareholders | As at 31st March, 2023 | | As at 31st March, 2022 | |
|--|------------------------|-------------------|------------------------|-------------------|
| | No. of Shares | % of Shareholding | No. of Shares | % of Shareholding |
| Ashika Global Securities Pvt. Ltd. | 32,13,699 | 27.05 | 32,13,699 | 27.05 |
| Pawan Jain (HUF) | 7,89,000 | 6.64 | 7,89,000 | 6.64 |
| Ashika Commodities & Derivatives Pvt. Ltd. | 19,64,469 | 16.54 | 13,76,743 | 11.59 |

e. The details of Shares held by promoters at the end of the year*

| Promoter name | As at 31st March, 2023 | | |
|--|------------------------|-------------------|--------------------------|
| | No. of shares | % of total shares | % change during the year |
| Ashika Global Securities Pvt. Ltd. | 32,13,699 | 27.05 | - |
| Pawan Jain (HUF) | 7,89,000 | 6.64 | - |
| Ashika Commodities & Derivatives Pvt. Ltd. | 19,64,469 | 16.54 | 42.69 |
| Daulat Jain | 4,50,000 | 3.79 | - |

Notes to the Financial Statements as at and for the year ended 31st March, 2023

| Promoter name | As at 31st March, 2022 | | |
|--|------------------------|-------------------|--------------------------|
| | No. of shares** | % of total shares | % change during the year |
| Ashika Global Securities Pvt. Ltd. | 32,13,699 | 27.05 | - |
| Pawan Jain (HUF) | 7,89,000 | 6.64 | - |
| Ashika Commodities & Derivatives Pvt. Ltd. | 13,76,743 | 11.59 | 74.81 |
| Daulat Jain | 4,50,000 | 3.79 | - |

*Promoter here means promoters as defined in the Companies Act 2013.

**Class of Shares is Equity share, Rs.10/- face value.

f. Refer Note No. 34 - "Capital Management" for the Company's objectives, policies and processes for managing capital.

21. Other Equity

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---------------------------|---------------------------|
| Statutory Reserve (pursuant to Section 45-IC of The Reserve Bank of India Act, 1934) | | |
| Opening balance | 438.49 | 368.36 |
| Add: Transferred from retained earnings | 117.70 | 70.13 |
| Closing balance | 556.19 | 438.49 |
| Securities Premium | | |
| Opening balance | 3,362.01 | 3,362.01 |
| Add: On account of issue of equity shares | - | - |
| Closing balance | 3,362.01 | 3,362.01 |
| Retained Earnings | | |
| Opening balance | 157.01 | (125.52) |
| Add: Profit/ (Loss) after tax for the year | 588.52 | 350.67 |
| Add: Remeasurement Gain/ (Loss) on Defined Benefit Plans (net of tax) | 1.59 | 1.99 |
| Amount available for appropriation | 747.12 | 227.14 |
| Appropriations: | | |
| Less: Transferred to Statutory Reserve (Pursuant to Section 45-IC of the Reserve Bank of India Act, 1934) | 117.70 | 70.13 |
| Closing balance | 629.42 | 157.01 |
| Total | 4,547.62 | 3,957.51 |

Nature and Purpose of Reserves

(i) Statutory Reserve (pursuant to Section 45-IC of The Reserve Bank of India Act, 1934):

Every year the Company transfers a of sum of not less than twenty per cent of net profit after tax of that year as disclosed in the statement of profit and loss to its Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934.

The conditions and restrictions for distribution attached to statutory reserves as specified in Section 45-IC(1) in the Reserve Bank of India Act, 1934:

No appropriation of any sum from the reserve fund shall be made by the Company except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the RBI within twenty-one days from the date of such withdrawal. RBI may, in any particular case and for sufficient cause being shown, extend the period of twenty one days by such further period as it thinks fit or condone any delay in making such report.

(ii) Securities Premium:

This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.

(iii) Retained Earnings:

This reserve represents the cumulative profits of the Company. This can be utilised in accordance with the provisions of the Companies Act, 2013.

Notes to the Financial Statements as at and for the year ended 31st March, 2023

22. Interest Income

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2023 | | | |
|-------------------|--|--|---|---------------|
| | On Financial Assets measured at fair value through OCI | On Financial Assets measured at Amortised Cost | Interest Income On Financial Assets classified at fair value through profit or loss | Total |
| Interest on Loans | - | 472.92 | - | 472.92 |
| Total | - | 472.92 | - | 472.92 |

| Particulars | Year ended 31st March, 2022 | | | |
|-------------------|--|--|---|---------------|
| | On Financial Assets measured at fair value through OCI | On Financial Assets measured at Amortised Cost | Interest Income On Financial Assets classified at fair value through profit or loss | Total |
| Interest on Loans | - | 623.29 | - | 623.29 |
| Total | - | 623.29 | - | 623.29 |

23. Net gain/(loss) on fair value changes

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2023 | | | Year ended 31st March, 2022 | | |
|--|-----------------------------|----------|---------------|-----------------------------|-----------------|-----------------|
| | Net Gain | Net Loss | Total | Net Gain | Net Loss | Total |
| Net gain/(loss) on financial instruments at fair value through profit or loss | | | | | | |
| (i) On trading portfolio | | | | | | |
| -Investments | 128.94 | - | 128.94 | - | (195.54) | (195.54) |
| -Derivatives | 457.79 | - | 457.79 | 53.25 | - | 53.25 |
| Total Net gain/(loss) on fair value changes (A) | 586.73 | - | 586.73 | 53.25 | (195.54) | (142.29) |
| Fair Value Changes: | | | | | | |
| Realised | 665.12 | - | 665.12 | 53.25 | 73.75 | 127.00 |
| Unrealised | - | (78.39) | (78.39) | - | (269.29) | (269.29) |
| Total Net gain/(loss) on fair value changes (B) | 665.12 | - | 586.73 | 53.25 | (195.54) | (142.29) |

24. Other Income

(₹ in Lakhs)

| Particulars | Year ended 31st March 2023 | Year ended 31st March 2022 |
|-------------------------------|----------------------------|----------------------------|
| Interest on income tax refund | 0.56 | 16.92 |
| Bad debt Recovery | 145.00 | 30.00 |
| Total | 145.56 | 46.92 |

25. Finance Costs

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2023 | | | Year ended 31st March, 2022 | | |
|---|--|---|--------------|--|---|-------------|
| | On Financial liabilities measured at fair value through profit or loss | On Financial liabilities measured at Amortised Cost | Total | On Financial liabilities measured at fair value through profit or loss | On Financial liabilities measured at Amortised Cost | Total |
| Interest on Borrowings (other than Debt Securities) | | | | | | |
| - Loans from Related Parties | - | 3.55 | 3.55 | - | 5.11 | 5.11 |
| - Loans from institutions and others | - | 4.69 | 4.69 | - | 2.31 | 2.31 |
| Other Interest Expense | | | | | | |
| -Income Tax | - | 3.32 | 3.32 | - | 1.07 | 1.07 |
| Total | - | 11.56 | 11.56 | - | 8.49 | 8.49 |

Notes to the Financial Statements as at and for the year ended 31st March, 2023

(₹ in Lakhs)

26. Impairment on Financial Instruments (net)

| Particulars | Year ended 31st March, 2023 | | Year ended 31st March, 2022 | |
|-----------------------------|---|---|---|---|
| | On Financial Instruments measured at fair value through OCI | On Financial Instruments measured at Amortised Cost | On Financial Instruments measured at fair value through OCI | On Financial Instruments measured at Amortised Cost |
| Loans (refer Note No. 26.1) | - | (48.87) | - | (405.69) |
| Other financial assets | - | 0.07 | - | - |
| Total | - | (48.80) | - | (405.69) |

26.1 Impairment on Loans

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2023 | | Year ended 31st March, 2022 | |
|--------------------------|---|---|---|---|
| | On Financial Instruments measured at fair value through OCI | On Financial Instruments measured at Amortised Cost | On Financial Instruments measured at fair value through OCI | On Financial Instruments measured at Amortised Cost |
| Bad Debts Written-off | - | - | - | 152.60 |
| Provision for Impairment | - | (48.87) | - | (558.29) |
| Total | - | (48.87) | - | (405.69) |

The table below shows the ECL charges on financial instruments for the year recorded in the profit and loss based on evaluation stage:

Year ended 31st March, 2023

(₹ in Lakhs)

| Particulars | General Approach | | | Total |
|--------------|--------------------|--------------------|--------------------|----------------|
| | Stage 1 Collective | Stage 2 Collective | Stage 3 Collective | |
| Loans | (48.87) | - | - | (48.87) |
| Total | (48.87) | - | - | (48.87) |

Year ended 31st March, 2022

(₹ in Lakhs)

| Particulars | General Approach | | | Total |
|--------------|--------------------|--------------------|--------------------|-----------------|
| | Stage 1 Collective | Stage 2 Collective | Stage 3 Collective | |
| Loans | (22.80) | (6.11) | (529.38) | (558.29) |
| Total | (22.80) | (6.11) | (529.38) | (558.29) |

27. Employee Benefits Expenses

(₹ in Lakhs)

| Particulars | Year ended 31st March 2023 | Year ended 31st March 2022 |
|---|----------------------------|----------------------------|
| Salaries & Wages | 261.73 | 260.95 |
| Contribution to Provident and Other Funds | 7.57 | 7.45 |
| Staff Welfare Expenses | 1.40 | 0.81 |
| Total | 270.70 | 269.21 |

28. Other Expenses

(₹ in Lakhs)

| Particulars | Year ended 31st March 2023 | Year ended 31st March 2022 |
|------------------------------|----------------------------|----------------------------|
| Rent, taxes and energy costs | 7.63 | 7.08 |
| Repairs and Maintenance | 5.19 | 4.73 |
| Communication Costs | 0.32 | 0.10 |
| Printing and Stationery | 0.62 | 0.29 |
| Advertisement and Publicity | 1.19 | 1.32 |
| Business Promotion Expenses | 7.90 | 3.77 |

Notes to the Financial Statements as at and for the year ended 31st March, 2023

(₹ in Lakhs)

| Particulars | Year ended 31st March 2023 | Year ended 31st March 2022 |
|--|-------------------------------|-------------------------------|
| Fees and Subscriptions | 19.73 | 3.30 |
| Director's Fees, Allowances and Expenses | 4.66 | 4.78 |
| Payments to the Auditor (refer Note No. 28.1) | 10.69 | 11.92 |
| Legal and Professional Charges | 9.48 | 8.81 |
| Travelling and Conveyance | 25.97 | 14.24 |
| Corporate Social Responsibility Expenses (refer Note No. 28.2) | 3.00 | 7.25 |
| Donations | - | 20.00 |
| Postage and Courier | 0.18 | 0.18 |
| Securities Transaction Tax | 38.65 | 9.65 |
| Brokerage and incidental cost | 39.12 | 11.27 |
| Insurance | 1.48 | 1.18 |
| Other Expenditure | 0.79 | 1.23 |
| Total | 176.60 | 111.10 |

28.1 Payments to the Auditor (including GST):

(₹ in Lakhs)

| Particulars | Year ended 31st March 2023 | Year ended 31st March 2022 |
|---|-------------------------------|-------------------------------|
| As Auditor | | |
| -For Statutory Audit and Limited Reviews | 8.26 | 8.26 |
| -For Other Services (Certifications etc.) | 1.87 | 1.48 |
| -For Taxation Matter -Tax Audit Fees | - | 1.77 |
| -For Reimbursement of Expenses | 0.56 | 0.41 |
| Total | 10.69 | 11.92 |

28.2 Corporate Social Responsibility Expenses:

| Particulars | Year ended 31st March 2023 | Year ended 31st March 2022 |
|---|--|-------------------------------|
| (a) Gross amount required to be spent during the year | 2.93 | 7.02 |
| (b) Amount of expenditure incurred (paid in cash) | 3.00 | 7.25 |
| (c) Shortfall at the end of the year | - | - |
| (d) Total of previous years shortfall | - | - |
| (e) Reason of shortfall | Not Applicable | Not Applicable |
| (f) Nature of CSR activities | Promoting Education & Healthcare, Eradicating Hunger | Social business projects |
| (g) Details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard. | Not Applicable | Not Applicable |
| (h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately. | Not Applicable | Not Applicable |
| Total | 3.00 | 7.25 |

Notes to the Financial Statements as at and for the year ended 31st March, 2023

(₹ in Lakhs)

29. Earnings Per Equity Share (EPS)

| Particulars | Year ended 31st March 2023 | Year ended 31st March 2022 |
|--|-------------------------------|-------------------------------|
| Profit/ (Loss) After Tax attributable to Equity Shareholders (₹ in Lakhs) - A | 588.52 | 350.67 |
| Basic and Diluted | | |
| (a) Number of Equity Shares at the beginning of the year | 1,18,80,000 | 1,18,80,000 |
| (b) Number of Equity Shares issued during the year | - | - |
| (c) Number of Equity Shares at the end of the year | 1,18,80,000 | 1,18,80,000 |
| (d) Weighted average number of Equity Shares outstanding during the year - B | 1,18,80,000 | 1,18,80,000 |
| (e) Nominal Value of each Equity Share (₹) | 10 | 10 |
| Basic and Diluted Earnings per Equity Share (₹) (A/B) | 4.95 | 2.95 |

30. Contingent Liabilities and Commitments (to the extent not provided for)

(₹ in Lakhs)

| Particulars | Year ended 31st March 2023 | Year ended 31st March 2022 |
|---|-------------------------------|-------------------------------|
| Contingent Liabilities | | |
| Claims against the Company not acknowledged as debt: | | |
| Income Tax [include deposits made under protests 31st March, 2023: ₹ 38.77 (31st March, 2022: ₹ 38.77) | - | - |
| Total | - | - |

31. Disclosure pursuant to Ind AS 19 - Employee Benefits

Defined Contribution Plans

The employees of the Company are entitled to receive benefits under the Provident Fund and Employees State Insurance scheme in which both the employee and the Company contribute monthly at a stipulated rate. The Company has recognised an amount of ₹ 7.57 Lakhs (Previous year: ₹ 7.45 Lakhs) for the year ended 31st March, 2023 as an expense in the Statement of Profit and Loss.

Defined Benefit Plans

The Company provides for gratuity, a defined benefit plans (unfunded) covering all employees. Under the Gratuity plan, every employee is entitled to gratuity as laid down under the Payment of Gratuity Act, 1972. Gratuity is payable on death / retirement / termination and the benefit vests after 5 year of continuous service. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognises each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Risk Management

The Defined Benefit Plans expose the Company to risk of actuarial deficit arising out of interest rate risk, salary inflation risk and demographic risk.

- Interest Rate Risk:** The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
- Salary Inflation Risk:** Higher than expected increase in salary will increase the defined benefit obligation.
- Demographic Risk:** This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of short career employee typically costs less per year as compared to long service employee

Notes to the Financial Statements as at and for the year ended 31st March, 2023

Amounts recognised in the statement of profit and loss in respect of the defined benefit plans are as follows: (₹ in Lakhs)

| Particulars | Gratuity | |
|---|-------------------------------|-------------------------------|
| | Year ended 31st March 2023 | Year ended 31st March 2022 |
| Amounts recognised in Statement of Profit and Loss in respect of Defined Benefit Plans are as follows: | | |
| Current Service Cost | 2.76 | 2.77 |
| Net Interest Expense | 2.00 | 1.82 |
| Past Service Cost | | - |
| Components of Defined Benefit Costs recognised in Statement of Profit and Loss (A) | 4.76 | 4.59 |
| Remeasurement of gain/(loss) in Other Comprehensive Income: | | |
| Actuarial changes arising from changes in financial assumptions | (0.45) | (0.25) |
| Actuarial changes arising from changes in Experience adjustments | (1.67) | (2.50) |
| Components of Defined Benefit Costs recognised in Other Comprehensive Income (B) | (2.12) | (2.75) |
| Total (A+B) | 2.64 | 1.84 |

Movement in the present value of the defined benefit obligation are as follows:

Gratuity

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---------------------------|---------------------------|
| Change in the Defined Benefit Obligations | | |
| Present value of Defined Benefit Obligation at the beginning of the year | 28.17 | 26.34 |
| Expenses recognised in Statement of Profit and Loss: | | |
| Current Service Cost | 2.76 | 2.77 |
| Net Interest Expense | 2.00 | 1.82 |
| Direct Benefits Paid | | |
| Remeasurement Gain/(Loss) recognised in Other Comprehensive Income | (2.12) | (2.76) |
| Present value of Defined Benefit Obligation at the end of the year | 30.81 | 28.17 |

Calculation of Benefit Liability / (Asset):

Gratuity

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|----------------------------|---------------------------|---------------------------|
| Defined benefit obligation | 30.81 | 28.17 |
| Fair value of plan assets | - | - |
| Benefit Liability | 30.81 | 28.17 |

The principal assumptions used are as follows:

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|-----------------------------------|---|---------------------------|
| Discount rate (%) | 7.40 | 7.10 |
| Salary Escalation rate (%) | 6.00 | 6.00 |
| Withdrawal rates based on age (%) | Varying between 8% and 1% per annum depending upon the duration and age of the employees. | |
| Mortality Rate | Indian Assured Lives Mortality (2006-2008) ultimate | |

The estimate of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employee market.

Notes to the Financial Statements as at and for the year ended 31st March, 2023

Sensitivity Analysis

The Sensitivity Analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. For presenting the sensitivities, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Defined Benefit Obligation presented above.

Gratuity

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|-----------------------|---------------------------|---------------------------|
| Discount Rate + 1% | (1.39) | (1.46) |
| Discount Rate - 1% | 1.56 | 1.64 |
| Salary Escalation +1% | 1.72 | 1.79 |
| Salary Escalation -1% | (1.56) | (1.62) |

Maturity Analysis of The Benefit Payments

a) Gratuity

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--------------|---------------------------|---------------------------|
| Year 1 | 1.13 | 0.96 |
| Year 2 | 1.29 | 1.16 |
| Year 3 | 24.57 | 1.20 |
| Year 4 | 0.53 | 23.30 |
| Year 5 | 0.51 | 0.46 |
| Next 5 Years | 4.59 | 2.23 |

The weighted average duration of defined benefit obligation is 3.77 years (31st March, 2022: 4.1 years)

32. Lease Disclosure

In the capacity of Lessee

The Company has cancellable operating lease arrangements for office premises and therefore has not recognised a right-of-use asset and a lease liability with regard to these lease arrangements in accordance with Ind AS 116 'Leases'. Lease payments recognised in the Statement of Profit and Loss with respect to such arrangements aggregate to ₹ 4.82 Lakhs (Previous year: ₹ 4.82 Lakhs).

33. Maturity Analysis of Assets and Liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled:

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2023 | | | Year ended 31st March, 2022 | | |
|-------------------------------|-----------------------------|--------------------|----------|-----------------------------|-------------------|----------|
| | Within 12 Months | After 12 Months | Total | Within 12 Months | After 12 Month | Total |
| Assets | | | | | | |
| Financial Assets | | | | | | |
| Cash and Cash Equivalents | 21.27 | | 21.27 | 23.76 | - | 23.76 |
| Bank Balance other than above | 18.79 | | 18.79 | 19.73 | - | 19.73 |
| Receivables | 50.92 | | 50.92 | 14.07 | | 14.07 |
| Loans | 1,972.17 | | 1,972.17 | 1,651.28 | - | 1,651.28 |
| Investments | 3,711.18 | 0.01 | 3,711.19 | 4,348.37 | 0.01 | 4,348.38 |
| Other Financial Assets | 1.60 | 0.33 | 1.93 | 1.60 | 0.33 | 1.93 |
| Non-Financial Assets | | | | | | |
| Current Tax Assets (net) | | 6.34 | 6.34 | - | 58.41 | 58.41 |
| Deferred Tax Assets (net) | | 29.56 | 29.56 | - | 47.24 | 47.24 |
| Investment Property | | 12.06 | 12.06 | - | 12.31 | 12.31 |

Notes to the Financial Statements as at and for the year ended 31st March, 2023

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2023 | | | Year ended 31st March, 2022 | | |
|-------------------------------|-----------------------------|-----------------|-----------------|-----------------------------|----------------|-----------------|
| | Within 12 Months | After 12 Months | Total | Within 12 Months | After 12 Month | Total |
| Property, Plant and Equipment | | 19.25 | 19.25 | - | 4.58 | 4.58 |
| Other Non-Financial Assets | 18.33 | 43.22 | 61.55 | 7.88 | 43.30 | 51.18 |
| Total Assets | 5,794.26 | 110.77 | 5,905.03 | 6,066.69 | 166.18 | 6,232.87 |

| Particulars | Year ended 31st March, 2023 | | | Year ended 31st March, 2022 | | |
|---|-----------------------------|-----------------|-----------------|-----------------------------|----------------|-----------------|
| | Within 12 Months | After 12 Months | Total | Within 12 Months | After 12 Month | Total |
| Financial Liabilities | | | | | | |
| Derivatives financial instruments | 1.73 | - | 1.73 | 0.05 | - | 0.05 |
| Payables | | | | | | |
| (I) Trade Payables | | | | | | |
| (i) Total outstanding dues of micro enterprises and small enterprises | - | - | - | - | - | - |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - | - |
| (II) Other Payables | | | | | | |
| (i) Total outstanding dues of micro enterprises and small enterprises | - | - | - | - | - | - |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - | - |
| Borrowings | 3.35 | - | 3.35 | 977.08 | - | 977.08 |
| Other Financial Liabilities | 61.82 | - | 61.82 | 56.50 | - | 56.50 |
| Non-Financial Liabilities | | | | | | |
| Current Tax Liabilities (net) | 62.11 | - | 62.11 | 16.19 | - | 16.19 |
| Provisions | 1.13 | 29.68 | 30.81 | 0.96 | 27.21 | 28.17 |
| Other Non-Financial Liabilities | 9.42 | - | 9.42 | 9.20 | - | 9.20 |
| Total Liabilities | 139.56 | 29.68 | 169.24 | 1,059.98 | 27.21 | 1,087.19 |
| Net | 5,654.70 | 81.09 | 5,735.79 | 5,006.71 | 138.97 | 5,145.68 |

34. Capital Management

The Company maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company.

The primary objectives of the Company's capital management is to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value. The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years except those incorporated on account of regulatory amendments. However, they are under constant review by the Board of Directors. The Company has complied with the notification RBI/2019-20/170 DOR (NBFC). CC.PD.No.109/22.10.106/2019-20 "Implementation of Indian Accounting Standards.

35. Financial Instruments and Related Disclosures

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of Financial Asset, Financial Liability and Equity Instrument are disclosed in Note No. 1.14 to the financial statements.

Notes to the Financial Statements as at and for the year ended 31st March, 2023

A) Categories of Financial Instruments

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | | As at 31st March, 2022 | |
|--|------------------------|-----------------|------------------------|-----------------|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| Financial Assets | | | | |
| a) Measured at Amortised Cost | | | | |
| i) Cash and Cash Equivalents | 21.27 | 21.27 | 23.76 | 23.76 |
| ii) Bank Balance other than (i) above | 18.79 | 18.79 | 19.73 | 19.73 |
| ii) Receivables | 50.92 | 50.92 | 14.07 | 14.07 |
| iv) Loans | 1,972.17 | 1,972.17 | 1,651.28 | 1,651.28 |
| v) Other Financial Assets | 1.93 | 1.93 | 1.93 | 1.93 |
| Subtotal | 2,065.08 | 2,065.08 | 1,710.77 | 1,710.77 |
| b) Measured at Fair value through Profit or Loss | | | | |
| i) Investments | 3,711.19 | 3,711.19 | 4,348.38 | 4,348.38 |
| Subtotal | 3,711.19 | 3,711.19 | 4,348.38 | 4,348.38 |
| Total Financial Assets | 5,776.27 | 5,776.27 | 6,059.15 | 6,059.15 |
| Financial Liabilities | | | | |
| a) Measured at Amortised cost | | | | |
| i) Payables | | | | |
| (I) Trade Payables | | | | |
| (i) Total outstanding dues of micro enterprises and small enterprises | - | - | - | - |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | - | - | - | - |
| (II) Other Payables | | | | |
| (i) Total outstanding dues of micro enterprises and small enterprises | - | - | - | - |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises" | - | - | - | - |
| ii) Borrowings | 3.35 | 3.35 | 977.08 | 977.08 |
| iii) Other Financial Liabilities | 61.82 | 61.82 | 56.50 | 56.50 |
| Subtotal | 65.17 | 65.17 | 1,033.58 | 1,033.58 |
| b) Measured at Fair value through Profit or Loss | | | | |
| i) Derivatives financial instruments | 1.73 | 1.73 | 0.05 | 0.05 |
| Subtotal | 1.73 | 1.73 | 0.05 | 0.05 |
| Total Financial Liabilities | 66.90 | 66.90 | 1,033.63 | 1,033.63 |

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables.

Loans measured at Amortised Cost

Loans having short term maturity (less than twelve months) are valued at carrying amounts, which are net of impairment and are considered reasonable approximation of their fair value. Loans having long term maturity (more than twelve months) are valued using a discounted cash flow model based on observable future cash flows based on term, discounted at the average lending rate of the Company.

Financial Assets (excluding loans) measured at Amortised Cost

Financial assets (excluding loans) generally have assets with short-term maturity (less than twelve months) as on balance sheet date and therefore, the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value.

Such instrument majorly include: Cash and Cash Equivalents, other bank balances, Receivables and other financial assets.

Borrowing measured at Amortised Cost

The borrowing generally have liabilities with short-term maturity (less than twelve months) as on balance sheet date and therefore, the carrying amounts, are a reasonable approximation of their fair value.

Notes to the Financial Statements as at and for the year ended 31st March, 2023

Other Financial Liabilities measured at Amortised Cost

Other financial liabilities have liability with short-term maturity (less than twelve months) as on balance sheet date and therefore, the carrying amounts are a reasonable approximation of their fair value.

B) Fair Value Hierarchy

The following details provide an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Valuation techniques with observable inputs (Level 2): Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). It includes fair value of the financial instruments that are not traded in an active market and are determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the company specific estimated. If all significant inputs required to fair value an instrument are observable, then the instrument is included in level 2

Valuation techniques with significant unobservable inputs (Level 3): If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for investment in unlisted equity instruments carried at FVTPL included in level 3.

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | | | |
|-----------------------------------|------------------------|----------|-------------|-----------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Financial Assets | | | | |
| Investments | 3,711.18 | - | 0.01 | 3,711.19 |
| Total | 3,711.18 | - | 0.01 | 3,711.19 |
| Financial Liabilities | | | | |
| Derivatives financial instruments | 1.73 | - | - | 1.73 |
| Total | 1.73 | - | - | 1.73 |

| Particulars | As at 31st March, 2022 | | | |
|-----------------------------------|------------------------|----------|-------------|-----------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Financial Assets | | | | |
| Investments | 4,348.37 | - | 0.01 | 4,348.38 |
| Total | 4,348.37 | - | 0.01 | 4,348.38 |
| Financial Liabilities | | | | |
| Derivatives financial instruments | 0.05 | - | - | 0.05 |
| Total | 0.05 | - | - | 0.05 |

Fair value of the Company's assets and liabilities that are measured at fair value on a recurring basis

(₹ in Lakhs)

| Particulars | Fair Value as at | | Fair Value Hierarchy | Valuation Technique and Key Input | Significant Unobservable Inputs |
|-----------------------------------|------------------|------------------|----------------------|-----------------------------------|---------------------------------|
| | March 31st, 2023 | March 31st, 2022 | | | |
| Financial Assets | | | | | |
| Investments | 3,711.18 | 4,348.37 | Level 1 | Note (i) | Not Applicable |
| Investments | 0.01 | 0.01 | Level 3 | Note (ii) | Not Applicable |
| Financial Liabilities | | | | | |
| Derivatives financial instruments | 1.73 | 0.05 | Level 1 | Note (iii) | Not Applicable |

(i) Quoted Prices

Quoted bid prices of an active market was used.

Notes to the Financial Statements as at and for the year ended 31st March, 2023

(ii) The carrying value of investments in unquoted equity instruments is a reasonable approximation to their fair values.

(iii) Mark-to-Market

Fair value of the asset and liability has been estimated using the current market price, or price for similar assets and liabilities as applicable.

Sensitivity of fair value measurements to changes in unobservable market data

Since there are no assets and liabilities measured at fair value where significant unobservable inputs are used, hence the disclosure are not applicable.

36. Risk Management

Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is mainly exposed to market risk, liquidity risk and credit risk. It is also subject to various operating and business risks.

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The 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.

a. Market Risk

The Company's Financial Instruments are exposed to market changes as are summarised below:

(i) Foreign Currency Risk

The Company does not have any exposure to foreign currency. Hence, any fluctuations on account of foreign currency has not arisen.

(ii) Equity Price Risk

The Company is exposed to equity price risk arising from its investments in equity instruments. Equity price risk is related to the change in market reference price of the investment in equity securities.

(iii) Interest Rate Risk

The Company is not exposed to interest rate risk as it has borrowings at fixed rate of interest. There are no long term borrowings at floating interest rate which would affect the profitability of the Company due to fluctuation in interest rate.

b. Liquidity Risk

Liquidity risk is the risk that the Company does not have sufficient financial resources to meet its obligations as they fall due, or will have to do so at an excessive cost. This risk arises from mismatches in the timing of cash flows which is inherent in all finance driven organisations and can be affected by a range of Company-specific and market-wide events.

Notes to the Financial Statements as at and for the year ended 31st March, 2023

(₹ in Lakhs)

Liquidity Risk Management (Based on Commercial Terms):

| Particulars | As at 31st March, 2023 | | | |
|---|------------------------|-----------------|-------------|-----------------|
| | Less than 3 months | 3 to 12 months | > 12 months | Total |
| Financial Assets | | | | |
| i) Cash and Cash Equivalents | 21.27 | - | - | 21.27 |
| ii) Bank Balance other than above | 18.79 | - | - | 18.79 |
| iii) Receivables | 50.92 | - | - | 50.92 |
| iv) Loans | - | 1,972.17 | - | 1,972.17 |
| v) Investments | 3,711.18 | - | 0.01 | 3,711.19 |
| vi) Other Financial Assets | - | 1.60 | 0.33 | 1.93 |
| Total | 3,802.16 | 1,973.77 | 0.34 | 5,776.27 |
| Financial Liabilities | | | | |
| i) Derivative financial instruments | 1.73 | - | - | 1.73 |
| ii) Payables | | | | |
| (I) Trade Payables | | | | |
| (i) Total outstanding dues of micro enterprises and small enterprises | - | - | - | - |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | - | - | - | - |
| (II) Other Payables | | | | |
| (i) Total outstanding dues of micro enterprises and small enterprises | - | - | - | - |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | - | - | - | - |
| iii) Borrowings | 3.35 | - | - | 3.35 |
| iv) Other Financial Liabilities | 61.82 | - | - | 61.82 |
| Total | 66.90 | - | - | 66.90 |

| Particulars | As at 31st March, 2022 | | | |
|---|------------------------|-----------------|-------------|-----------------|
| | Less than 3 months | 3 to 12 months | > 12 months | Total |
| Financial Assets | | | | |
| i) Cash and Cash Equivalents | 23.76 | - | - | 23.76 |
| ii) Bank Balance other than above | 19.73 | - | - | 19.73 |
| iii) Receivables | 14.07 | - | - | 14.07 |
| iv) Loans | 284.50 | 1,450.08 | - | 1,734.58 |
| v) Investments | 4,348.37 | - | 0.01 | 4,348.38 |
| vi) Other Financial Assets | - | 1.60 | 0.33 | 1.93 |
| Total | 4,690.43 | 1,451.68 | 0.34 | 6,142.45 |
| Financial Liabilities | | | | |
| i) Derivative financial instruments | 0.05 | - | - | 0.05 |
| ii) Payables | | | | |
| (I) Trade Payables | | | | |
| (i) Total outstanding dues of micro enterprises and small enterprises | - | - | - | - |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | - | - | - | - |
| (II) Other Payables | | | | |
| (i) Total outstanding dues of micro enterprises and small enterprises | - | - | - | - |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | - | - | - | - |
| iii) Borrowings | 2.08 | 975.00 | - | 977.08 |
| iv) Other Financial Liabilities | 56.50 | - | - | 56.50 |
| Total | 58.63 | 975.00 | - | 1,033.63 |

Notes to the Financial Statements as at and for the year ended 31st March, 2023

c. Credit Risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties. The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

d. Risk concentrations

The principal business of the Company is to provide financing in the form of loans to its clients. Credit Risk is the risk of default of the counterparty to repay its obligations in a timely manner resulting in financial loss. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has laid down the credit evaluation and approval process in compliance with regulatory guidelines.

The Company uses the Expected Credit Loss (ECL) Methodology to assess the impairment on financial assets.

In case of loan assets, The Probability of Default (PD) and Loss Given Default (LGD) is derived based on historical data on an unsegmented portfolio basis due to limitation of counts in past. The combination of the PD and LGD is applied on the Exposure at Default to compute the ECL, which is further adjusted for forward looking information, if any.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Analysis of risk concentration

(₹ in Lakhs)

| Particulars | As at | Corporate | Others | Total |
|---------------------------|------------------|-----------|----------|----------|
| Financial Assets | | | | |
| Loans (Net of Impairment) | 31st March, 2023 | 1,526.13 | 446.04 | 1,972.17 |
| | 31st March, 2022 | 264.31 | 1,386.97 | 1,651.28 |

37. Disclosure pursuant to Indian Accounting Standard 24 - "Related Party Disclosures"

(i) Entity having significant influence over the Company:

Ashika Global Securities Pvt. Ltd. (AGSPL)

(ii) Entities controlled by AGSPL:

Ashika Stock Broking Ltd.

Ashika Commodities and Derivatives Pvt. Ltd.

(iii) Key Management Personnel (KMP):

| Name | Designation |
|-------------------------------|---|
| Pawan Jain | Executive Chairman |
| Daulat Jain | Managing Director & Chief Executive Officer |
| Amit Jain (w.e.f. 04/10/2021) | Non-Executive Director |
| Gaurav Jain | Chief Financial Officer |
| Anju Mundhra | Company Secretary |
| Sagar Jain | Independent Director |
| Suparna Sengupta | Independent Director |
| Sonu Jain | Independent Director |

(iv) Enterprises controlled or jointly controlled of KMP and / or close family members of KMP (with whom transactions have taken place during the year)

Ashika Global Finance Pvt. Ltd.

Puja Sales Promotion Pvt. Ltd.

Pawan Jain (HUF)

Ashika Capital Ltd.

Ivory Consultants Pvt Ltd.

Notes to the Financial Statements as at and for the year ended 31st March, 2023

Details of Related Party Transactions:

(₹ in Lakhs)

| Name of the related party and nature of relationship | Nature of Transactions** | For the year ended 31st March, 2023 | Balance Outstanding as at 31st March, 2023 | For the year ended 31st March, 2022 | Balance Outstanding as at 31st March, 2022 |
|--|---------------------------------|-------------------------------------|--|-------------------------------------|--|
| Entity having significant influence over the Company | | | | | |
| Ashika Global Securities Pvt. Ltd. | Loan Taken | 200.00 | - | 200.00 | - |
| | Repayment of Loan Taken | 200.00 | - | 200.00 | - |
| | Interest Expenses on Loan Taken | 0.29 | - | 0.07 | - |
| | Loan Given | 7,730.00 | 675.00 | 2,305.00 | - |
| | Repayment of Loan Given | 7,055.00 | - | 2,305.00 | - |
| | Interest Income on Loan Given | 64.46 | - | 30.08 | - |
| Entities controlled by AGSPL | | | | | |
| Ashika Stock Broking Ltd. | Loan Given | 10,475.00 | - | 3,725.00 | - |
| | Repayment of Loan Given | 10,475.00 | - | - | - |
| | Brokerage | 23.69 | - | 6.54 | - |
| | Interest Income on Loan Given | 81.21 | - | 57.95 | - |
| | Demat Charges | 0.05 | - | 0.30 | 0.01 |
| Ashika Commodities and Derivatives Pvt. Ltd. | Loan Given | - | - | 435.00 | - |
| | Repayment of Loan Given | - | - | 435.00 | - |
| | Interest Income on Loan Given | - | - | 3.12 | - |
| Key Management Personnel (KMP) | | | | | |
| Pawan Jain | Remuneration | 169.11 | 10.59 | 169.11 | 10.52 |
| Daulat Jain | Remuneration | 13.00 | 0.81 | 12.50 | 0.82 |
| Gaurav Jain | Remuneration | 21.00 | 2.40 | 20.88 | 2.30 |
| Anju Mundhra | Remuneration | 28.00 | 2.50 | 27.58 | 2.38 |
| | Advance Given | - | 2.95 | 10.00 | 6.50 |
| Sagar Jain | Sitting Fees | 1.40 | - | 1.40 | 0.05 |
| Suparna Sengupta | Sitting Fees | 1.15 | - | 1.25 | - |
| Sonu Jain | Sitting Fees | 1.40 | - | 1.40 | 0.05 |
| Enterprises controlled or jointly controlled or under significant influence of KMP and / or close family members of KMP (with whom transactions have taken place during the year) | | | | | |
| Ashika Global Finance Pvt. Ltd. | Loan Taken | 150.00 | - | 1,480.00 | 975.00 |
| | Repayment of Loan Taken | 1,125.00 | - | 505.00 | - |
| | Interest Expense on Loan Taken | 3.25 | - | 5.04 | - |
| | Loan Given | 4,980.00 | - | 2,870.00 | - |
| | Repayment of Loan Given | 4,980.00 | - | 2,870.00 | - |
| | Interest Income on Loan Given | 27.68 | - | 32.84 | - |
| Ashika Capital Ltd. | Loan Given | 1,675.00 | 875.00 | - | - |
| | Repayment of Loan Given | 800.00 | - | - | - |
| | Interest Income on Loan Given | 8.94 | - | - | - |
| Ivory Consultants Pvt Ltd. | Loan Given | 1,070.00 | - | 2,325.00 | - |

Notes to the Financial Statements as at and for the year ended 31st March, 2023

(₹ in Lakhs)

| Name of the related party and nature of relationship | Nature of Transactions** | For the year ended 31st March, 2023 | | For the year ended 31st March, 2022 | |
|--|--|-------------------------------------|--|-------------------------------------|--|
| | | For the year ended 31st March, 2023 | Balance Outstanding as at 31st March, 2023 | For the year ended 31st March, 2022 | Balance Outstanding as at 31st March, 2022 |
| | Repayment of Loan Given | 1,070.00 | - | 2,325.00 | - |
| | Interest Income on Loan Given | 5.69 | - | 16.33 | - |
| Puja Sales Promotion Pvt. Ltd. | Security Deposit Given for Leased Premises | - | 0.60 | - | 0.60 |
| | Rent Expense for Leased Premises | 1.20 | - | 1.20 | - |
| Pawan Jain (HUF) | Security Deposit Given for Leased Premises | - | 1.00 | - | 1.00 |
| | Office Maintenance Expense for Leased Premises | 3.62 | - | 3.62 | - |
| | Rent Expense for Leased Premises | 3.62 | - | 3.62 | - |

** Expenses incurred for business purpose which are reimbursed by the Company has not been considered above.

37.1 Compensation to KMPs:

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|------------------------------|-----------------------------|-----------------------------|
| Short-term employee benefits | 235.06 | 234.12 |
| Post-employment benefits | 2.35 | 2.35 |

37.2 All loan taken and given during the period is unsecured.

37.3 The nature of the consideration to be provided in settlement is in cash.

37.4 Provisions for doubtful debts related to the amount of outstanding balances :

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2023 | Balance Outstanding as at 31st March, 2023 | For the year ended 31st March, 2022 | Balance Outstanding as at 31st March, 2022 |
|------------------------------------|-------------------------------------|--|-------------------------------------|--|
| Ashika Capital Ltd. | 13.48 | 13.48 | - | - |
| Ashika Global Securities Pvt. Ltd. | 10.40 | 10.40 | - | - |

37.5 Related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

38. Financial Ratios

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|--|-----------------------------|-----------------------------|
| (a) Capital to risk-weighted assets ratio (CRAR) | NA | NA |
| (b) Tier I CRAR | NA | NA |
| (c) Tier II CRAR | NA | NA |
| (d) Liquidity Coverage Ratio | NA | NA |

Note: Since the company is a Non-Systematically Important NBFC, these ratios are not applicable and these ratios have not been prescribed by RBI for Non-Systematically important NBFC. Hence, the same is not being disclosed

Notes to the Financial Statements as at and for the year ended 31st March, 2023

39. Title deeds of Immovable Properties not held in name of the Company

| Relevant line item in the Balance Sheet | Description of item of property | Gross carrying value (Amt in lakhs) | Title deeds held in the name of | Whether title deed holder is promoter, director or relative of promoter/ director or employee of promoter/ director | Property held since which date | Reason for not being held in the name of the Company |
|---|---------------------------------|-------------------------------------|---------------------------------|---|--------------------------------|--|
| Investment property | Residential flat | 13.26 | Queens Park Estates Pvt. Ltd. | No | 04-10-2006 | Conveyance pending |

40. There is no proceedings been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the Rules made thereunder during the year ended 31st March, 2023 and 31st March, 2022.

41. The Company does not have any transaction with companies struck off U/s 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

42. As at 31st March, 2023 and as at 31st March, 2022, there are no loans or advances in the nature of loans granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are repayable on demand or without specifying any terms or period of repayment.

43. The Company has duly registered its charges or satisfaction of charges with the Registrar of Companies (ROC).

44. There are no transactions not recorded in the books of accounts during the year ended 31st March, 2023 and 31st March, 2022 that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961

There are no previously unrecorded income and related assets to be recorded in the books of account during the year ended 31st March, 2023 and 31st March, 2022.

45. The Company is not declared as wilful defaulter by any bank or financial Institution or other lender during the year ended 31st March, 2023 and 31st March, 2022

46. Utilisation of Borrowed Funds and Share Premium

(A) During the year ended and as at 31st March, 2023 and 31st March, 2022, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall :

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(B) During the year ended and as at 31st March, 2023 and 31st March, 2022, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

47. The Company has not traded or invested in any Crypto Currency or Virtual Currency during the year during the year ended 31st March, 2023 and 31st March, 2022

48. Information as required in terms of paragraph 19 of Master Direction - Non-Banking Financial Company –Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 and Circular DOR.CRE.REC.No.60/03.10.001/2021-22 dated 22nd October, 2021 on Scale Based Regulation (SBR) is furnished vide Annexure - I attached herewith. These disclosures are prepared under Ind AS issued by MCA unless otherwise stated.

49. The Company's operating segments is established in the manner consistent with the components of the company that are evaluated regularly by the Chief Operating Decision Maker as defined in Ind AS 108, "Operating Segments". The business of the Company falls within a single operating reportable segment viz, 'Financial services' and hence, there are no separate reporting segments as per Ind AS 108, "Operating Segments".

Notes to the Financial Statements as at and for the year ended 31st March, 2023

50. Disclosure as per the RBI circular no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13th March, 2020 on 'Implementation of Indian Accounting Standards'.

A comparison between provisions required under Income Recognition, Asset Classification and Provisioning ('IRACP') and impairment allowances made under Ind AS 109 is given below:

(₹ in Lakhs)

| Asset Classification as per RBI Norms | Asset Classification as per Ind AS 109 | Gross Carrying Amount as per Ind AS 109 | Loss Allowances (Provisions) as required under Ind AS 109 | Net Carrying Amount | Provision required as per IRACP norms | Difference between Ind AS 109 and IRACP norms |
|--|--|---|---|---------------------|---------------------------------------|---|
| Performing Assets | | | | | | |
| Standard | Stage 1 | 2,003.02 | 30.85 | 1,972.17 | 5.01 | 25.84 |
| | Stage 2 | - | - | - | - | - |
| Subtotal | | 2,003.02 | 30.85 | 1,972.17 | 5.01 | 25.84 |
| Non-Performing Assets (NPA) | | | | | | |
| Sub-standard (a) | Stage 3 | - | - | - | - | - |
| Doubtful - upto 1 year | Stage 3 | - | - | - | - | - |
| 1 to 3 years | Stage 3 | - | - | - | - | - |
| More than 3 years | Stage 3 | - | - | - | - | - |
| Subtotal for Doubtful (b) | | - | - | - | - | - |
| Loss (c) | Stage 3 | - | - | - | - | - |
| Subtotal for NPA (a+b+c) | | - | - | - | - | - |
| Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current IRACP norms | Stage 1 | - | - | - | - | - |
| | Stage 2 | - | - | - | - | - |
| | Stage 3 | - | - | - | - | - |
| Subtotal | | - | - | - | - | - |
| Total | Stage 1 | 2,003.02 | 30.85 | 1,972.17 | 5.01 | 25.84 |
| | Stage 2 | - | - | - | - | - |
| | Stage 3 | - | - | - | - | - |
| | Total | 2,003.02 | 30.85 | 1,972.17 | 5.01 | 25.84 |

51. The Company does not have any subsidiary as at 31st March, 2023 and 31st March, 2022 and accordingly clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable.

52. Figures pertaining to previous year have been rearranged/ regrouped, wherever necessary, to make them comparable with those of current year.

SIGNATURE TO NOTES 1 TO 52

As per our report of even date attached.

For **DMKH & Co.**

Chartered Accountants

ICAI Firm Registration No. 0116886W

Manish Kankani

Partner

Membership No. 158020

Place: Kolkata

Date: May 29, 2023

For and on behalf of the Board of Directors

Pawan Jain

Executive Chairman

(DIN: 00038076)

Place: Kolkata

Anju Mundhra

Company Secretary

(F6686)

Place: Kolkata

Daulat Jain

Managing Director & Chief Executive Officer

(DIN: 00040088)

Place: Kolkata

Gaurav Jain

Chief Financial Officer

Place: Kolkata

Notes to the Financial Statements as at and for the year ended 31st March, 2023

Annexure - I to Notes to Financial Statements (refer Note No. 48)

Disclosure of details as required in terms of paragraph 19 of Master Direction - Non-Banking Financial Company-Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | | As at 31st March, 2022 | |
|--|------------------------|----------------|------------------------|----------------|
| | Amount outstanding | Amount overdue | Amount outstanding | Amount overdue |
| (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 | 3.35 | - | 977.08 | - |
| (e) Commercial Paper | - | - | - | - |
| (f) Public Deposits | - | - | - | - |
| (g) Other Loans | - | - | - | - |
| (2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid): | | | | |
| (a) In the form of Unsecured debentures | - | - | - | - |
| (b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security | - | - | - | - |
| (c) Other public deposits | - | - | - | - |

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--|------------------------|------------------------|
| | Amount outstanding | Amount outstanding |
| (3) Break-up of Loans and Advance including bills receivables [other than those included in (4) below] | | |
| (a) Secured | 453.02 | 1,734.58 |
| (b) Unsecured | 1,550.00 | - |
| *items appearing under Note No. 5 of the audited financials statements, have been considered for the purpose of disclosure | | |
| (4) Break-up of Leased Assets and stock on hire and other assets counting towards asset financing 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 asset financing activities | | |
| (a) Loans where assets have been repossessed | - | - |
| (b) Loans other than (a) above | - | - |
| (5) Break-up of Investments⁵ | | |
| Current Investments | | |
| 1. Quoted: | | |
| (i) Shares: | | |
| (a) Equity | 2,709.92 | 4,348.37 |
| (b) Preference | - | - |
| (ii) Debentures and Bonds | - | - |
| (iii) Units of Mutual Funds | - | - |
| (iv) Government Securities | - | - |

Notes to the Financial Statements as at and for the year ended 31st March, 2023

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|-----------------------------|------------------------------|------------------------------|
| | Amount outstanding | Amount outstanding |
| (v) Others | - | - |
| 2. Unquoted: | | |
| (i) Shares: | | |
| (a) Equity | - | - |
| (b) Preference | - | - |
| (ii) Debentures and Bonds | - | - |
| (iii) Units of Mutual Funds | 1,001 | - |
| (iv) Government Securities | - | - |
| (v) Others | - | - |
| Long Term Investments: | | |
| 1. Quoted : | | |
| (i) Shares: | | |
| (a) Equity | - | - |
| (b) Preference | - | - |
| (ii) Debentures and Bonds | - | - |
| (iii) Units of Mutual Funds | - | - |
| (iv) Government Securities | - | - |
| (v) Others | - | - |
| 2. Unquoted: | | |
| (i) Shares: | | |
| (a) Equity | 0.01 | 0.01 |
| (b) Preference | - | - |
| (ii) Debentures and Bonds | - | - |
| (iii) Units of Mutual Funds | - | - |
| (iv) Government Securities | - | - |
| (v) Others | - | - |

§The Company has not disclosed the breakup of investment into Long term investment and current investment as the classification is not required under Ind AS issued by MCA.

Disclosure of details as required in terms of paragraph 19 of Master Direction - Non-Banking Financial Company-Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016

(6) Borrower group-wise classification of assets financed as in (3) and (4) above

(₹ in Lakhs)

| Category | As at 31st March, 2023 | | | As at 31st March, 2022 | | |
|---------------------------------|------------------------|-----------------|-----------------|------------------------|-----------|-----------------|
| | Secured | Unsecured | Total | Secured | Unsecured | Total |
| (1) Related Parties ** | | | | | | |
| (a) Subsidiaries | - | - | - | - | - | - |
| (b) Companies in the Same Group | - | 1,526.13 | 1,526.13 | - | - | - |
| (c) Other Related Parties | - | - | - | - | - | - |
| (2) Other than Related Parties | 446.04 | - | 446.04 | 1,651.28 | - | 1,651.28 |
| Total | 446.04 | 1,526.13 | 1,972.17 | 1,651.28 | - | 1,651.28 |

* Please see note 1 below

** As per Ind AS issued by MCA. (Please see note 2 below)

Notes to the Financial Statements as at and for the year ended 31st March, 2023

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

(₹ in Lakhs)

| Category | As at 31st March, 2023 Amount net of provisions | | As at 31st March, 2022 Amount net of provisions | |
|--------------------------------------|--|--------------------------------------|--|--------------------------------------|
| | Market Value/ Break up or fair value or NAV | Book Value (Net of Provisions) | Market Value/ Break up or fair value or NAV | Book Value (Net of Provisions) |
| 1. Related Parties*** | | | | |
| (a) Subsidiaries | - | - | - | - |
| (b) Companies in the Same Group | - | - | - | - |
| (c) Other Related Parties | - | - | - | - |
| 2. Other than Related Parties | 3,711.19 | 3,711.19 | 4,348.38 | 4,348.38 |
| Total | 3,711.19 | 3,711.19 | 4,348.38 | 4,348.38 |

*** As per Ind AS issued by MCA. (Please see note 2 below)

(8) Other Information

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|--------------------------------|--------------------------------|
| (i) Gross Non-Performing Assets \$ | | |
| (a) Related Parties | - | - |
| (b) Other than Related Parties | - | 70.60 |
| (ii) Net Non-Performing Assets \$ | | |
| (a) Related Parties | - | - |
| (b) Other than Related Parties | - | 34.89 |
| (iii) Assets acquired in Satisfaction of Debt | - | - |

\$ NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS. 150 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

Notes:

1. Provisioning Norms shall be applicable as prescribed in Ind AS issued by MCA.
2. All Indian Accounting Standards issued by MCA are applicable including for valuation of investments.

Disclosure of details as required in terms of circular DOR.CRE.REC.No.60/03.10.001/2021-22 dated 22nd October, 2021 on 'Scale Based Regulation (SBR): A Revised Regulatory Framework' for NBFCs

1) Exposure to real estate sector: Nil

2) Exposure to capital market

(₹ in Crore)

| Particulars | Current Year | Previous Year |
|---|--------------|---------------|
| i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt | 27.10 | 43.48 |
| ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds | 4.53 | 14.28 |
| iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security | - | 3.07 |
| Total exposure to capital market | | |

Notes to the Financial Statements as at and for the year ended 31st March, 2023

3) Sectoral exposure

| Particulars | Current Year | | | Previous Year | | |
|---|---|----------------------|---|---|----------------------|---|
| | Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crore) | Gross NPAs (₹ crore) | Percentage of Gross NPAs to total exposure in that sector | Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crore) | Gross NPAs (₹ crore) | Percentage of Gross NPAs to total exposure in that sector |
| 1) Agriculture and Allied Activities | - | - | - | - | - | - |
| 2) Industry | - | - | - | - | - | - |
| 3) Services | | | | | | |
| i) Real-Estate Loans | - | - | - | 0.35 | 0.35 | 100 |
| ii) Non Banking Financial Companies | 6.75 | - | - | - | - | - |
| iii) All other services | 8.75 | - | - | 2.72 | 0.36 | 13.20 |
| Total of services | 15.50 | - | - | 3.07 | 0.71 | 23.01 |
| 4) Personal Loans | | | | | | |
| i) Loan to Individuals against share, bonds | 4.53 | - | - | 14.28 | - | - |
| 5) Others | - | - | - | - | - | - |

4) Intra-group exposures

(₹ in Crore)

| Particulars | Current Year | Previous Year |
|---|--------------|---------------|
| 1) Total amount of intra-group exposures | 15.50 | - |
| 2) Total amount of top 20 intra-group exposures | 15.50 | - |
| 3) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers | 77.38 | - |

5) Unhedged foreign currency exposure

The company does not have foreign currency exposure.

Disclosure of details as required in terms of circular DOR.CRE.REC.No.60/03.10.001/2021-22 dated 22nd October, 2021 on 'Scale Based Regulation (SBR): A Revised Regulatory Framework' for NBFCs

Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

| Particulars | Current Year | Previous Year |
|---|--------------|---------------|
| Complaints received by the NBFC from its customers | | |
| 1) Number of complaints pending at beginning of the year | Nil | Nil |
| 2) Number of complaints received during the year | Nil | Nil |
| 3) Number of complaints disposed during the year | Nil | Nil |
| 3.1) Of which, number of complaints rejected by the NBFC | Nil | Nil |
| 4) Number of complaints pending at the end of the year | Nil | Nil |
| 5) Maintainable complaints received by the NBFC from Office of Ombudsman | | |
| 5.1) Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman | Nil | Nil |
| 5.2) Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by Office of Ombudsman | | |
| 5.3) Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC | | |
| 6) Number of Awards unimplemented within the stipulated time (other than those appealed) | | |
| Total exposure to capital market | | |

Notes to the Financial Statements as at and for the year ended 31st March, 2023

Loan to Directors, Senior Officers, and relatives of Directors

(₹ in Crore)

| Particulars | Current Year | Previous Year |
|--|--------------|---------------|
| Directors and their relatives | - | - |
| Entities associated with directors and their relatives | 15.50 | - |
| Senior Officers and their relatives | - | - |

Disclosure of details as required in terms of circular DOR.CRE.REC.No.60/03.10.001/2021-22 dated 22nd October, 2021 on 'Scale Based Regulation (SBR): A Revised Regulatory Framework' for NBFCs

Related Party Disclosure

(₹ in Crore)

| Related Party | Key Management Personnel | | | | | | | | Others | | | |
|-------------------|-----------------------------------|--|-----------------------------------|--|-----------------------------------|--|-----------------------------------|--|-----------------------------------|--|-----------------------------------|--|
| | Directors | | | | Other KMPS | | | | | | | |
| | Current Year | | Previous Year | | Current Year | | Previous Year | | Current Year | | Previous Year | |
| Items | For the year ended March 31, 2023 | Balance Outstanding as at March 31, 2023 | For the year ended March 31, 2023 | Balance Outstanding as at March 31, 2023 | For the year ended March 31, 2023 | Balance Outstanding as at March 31, 2023 | For the year ended March 31, 2023 | Balance Outstanding as at March 31, 2023 | For the year ended March 31, 2023 | Balance Outstanding as at March 31, 2023 | For the year ended March 31, 2023 | Balance Outstanding as at March 31, 2023 |
| Borrowings | - | - | - | - | - | - | - | - | 3.50 | - | 16.80 | - |
| Loan Given | - | - | - | - | - | - | - | - | 259.30 | 15.50 | 116.60 | 0.16 |
| Advances | - | - | - | - | 0.03 | - | 0.10 | 0.07 | - | - | - | - |
| Interest Paid | - | - | - | - | - | - | - | - | 0.04 | - | 0.05 | - |
| Interest Received | - | - | - | - | - | - | - | - | 1.88 | - | 1.24 | - |
| Others | 1.86 | 0.11 | 1.86 | 0.11 | 0.49 | 0.05 | 0.48 | 0.05 | 0.32 | 0.02 | 0.15 | 0.02 |
| Total | 1.86 | 0.11 | 1.86 | 0.11 | 0.49 | 0.08 | 0.58 | 0.11 | 265.04 | 15.52 | 134.84 | 0.18 |



ASHIKA CREDIT CAPITAL LIMITED

CIN: L67120WB1994PLC062159

Registered Office : Trinity, 226/1, A.J.C Bose Road, 7th Floor, Kolkata-700020

Tel: (033) 40102500; Fax: (033) 40102543

Website: www.ashikagroup.com; Email: secretarial@ashikagroup.com

NOTICE CONVENING THIRTIETH ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Thirtieth (30th) Annual General Meeting (AGM)** of the members of **Ashika Credit Capital Limited** ("the Company") will be held on Saturday the 16th Day of September 2023 at 11.30 Am through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Annual Financial Statements of the Company for the Financial Year ended 31st March, 2023 (Standalone) together with the Reports of the Auditors and the Board of Directors thereon.
2. To appoint a Director in place of Mr. Amit Jain (DIN: 00040222), who retires by rotation, and being eligible, offers himself for re-appointment.

Explanation: Mr. Amit Jain, who is liable to retire by rotation, being eligible, seeks re-appointment. The Board recommends his re-appointment.

Therefore, the shareholders are requested to consider and if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 152 of the Companies Act, 2013, consent of the members of the Company be and is hereby accorded for re-appointment of Mr. Amit Jain (DIN: 00040222), Non-Executive Non-Independent Director, who shall retire by rotation at the ensuing Annual General Meeting and be re-appointed as Director (Non-Executive Non-Independent Director) of the company."

SPECIAL BUSINESS:

3. Appointment of Mr. Ajay Pratapray Shanghavi (DIN – 00084653) as an Independent Director of the Company

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 149, 150 and 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules made thereunder and Regulation 17, Regulation 25 and all other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), the provisions of the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, approval of the Members be and is hereby accorded for appointment of Mr. Ajay Pratapray Shanghavi (DIN – 00084653), who was appointed as an Additional Director (in the capacity of an Independent Director) of the Company by the Board of Directors with effect from 1st September, 2023, and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and is eligible for appointment under the provisions of the Act, the Rules made thereunder and the Listing Regulations, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act proposing his candidature for the office of an Independent Director, as an Independent Director, not liable to retire by rotation, to hold office for a term of Two (2) consecutive years i.e., from 1st September, 2023."

"RESOLVED FURTHER THAT the Board or any duly constituted Committee of the Board, be and is hereby authorised to do all acts, deeds, matters and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto, to give effect to the foregoing resolution."

4. Appointment of Mr. Tapan Sodani (DIN – 01921743) as an Independent Director of the Company

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 149, 150 and 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules made thereunder and Regulation 17, Regulation 25 and all other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), the provisions of the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, approval of the Members be and is hereby accorded for appointment of Mr. Tapan Sodani (DIN – 01921743), who was appointed as an Additional Director (in the capacity of an Independent Director) of the Company by the Board of Directors with effect from 1st September, 2023, and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and is eligible for appointment under the provisions of the Act, the Rules made thereunder and the Listing Regulations, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act proposing his candidature for the office of an Independent Director, as an Independent Director, not liable to retire by rotation, to hold office for a term of One(1) year i.e., from 1st September, 2023."

"RESOLVED FURTHER THAT the Board or any duly constituted Committee of the Board, be and is hereby authorised to do all acts, deeds, matters and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto, to give effect to the foregoing resolution."

By Order of the Board of Directors
for **ASHIKA CREDIT CAPITAL LIMITED**

Date: August 8, 2023
Place: Kolkata

(Anju Mundhra)
Company Secretary
Membership no: F6686

Notice

NOTES:

1. The Ministry of Corporate Affairs ("MCA") inter-alia vide its General Circular Nos. 14/ 2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, followed by General Circular Nos. 20/2020 dated May 5, 2020, and subsequent circulars issued in this regard, the latest being 10/2022 dated December 28, 2022 (collectively referred to as "MCA Circulars") has permitted the holding of the annual general meeting through Video Conferencing ("VC") or through other audio-visual means ("OAVM"), without the physical presence of the Members at a common venue.

In compliance with the provisions of the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and MCA Circulars, the Annual General Meeting ("Meeting" or "AGM") of the Company is being held through VC / OAVM without the physical presence of the members at a common venue. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.
2. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote instead of himself/herself and the proxy need not be a member of the company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form, Attendance Slip and Route Map for the AGM are not annexed to this Notice.
3. As per the provisions of clause 3.A.II of the General Circular No. 20/2020 dated May 5, 2020, issued by the MCA, the matters of Special Business as appearing at Item No. 3 of the accompanying Notice, are considered to be unavoidable by the Board and hence, form part of this Notice.
4. The Explanatory Statement pursuant to Section 102 of the Act in respect of the business under Item No. 3 set out above and the relevant details of the Director seeking appointment/ re-appointment at this AGM as required under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India ('Secretarial Standards') are annexed hereto. Requisite declarations have been received from the Director seeking appointment/re-appointment.
5. Institutional /Corporate shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to goenkamohan@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013
7. Pursuant to the provisions of Section 91 of Companies Act, 2013 and rules thereon, read with Regulation 42(5) of SEBI (LODR) Regulations, 2015 the Register of Members and the Share Transfer Books of the Company will remain closed from **Saturday the 9th Day of September 2023 to Saturday the 16th Day of September 2023 (both days inclusive)**.
8. Pursuant to Sections 101 and 136 of the Act read with the Rules framed thereunder and in compliance with the aforesaid MCA Circulars and SEBI Circulars, the Notice of the AGM is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. Members may note that the Notice of the AGM and the Annual Report for the Financial Year 2022-2023 will also be available on the Company's website at www.ashikagroup.com, websites of the Stock Exchanges where the company shares are listed viz., www.bseindia.com, www.msei.in and www.cse-india.com, and on the website of NSDL at www.evoting.nsdl.com. The physical copy of the Notice along with Annual Report shall be made available to the Member(s) who may request for the same in writing to the Company.
9. The Register of directors and key managerial personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. 16th Day of September 2023. Members seeking to inspect such documents can send an email to secretarial@ashikagroup.com. Further, Members seeking any information with respect to the afore-mentioned registers are requested to write to the Company till 5 p.m., on Saturday the 9th Day of September 2023 through e-mail on secretarial@ashikagroup.com. The same will be replied by the Company suitably.
10. As per the provisions of Section 72 of the Act and relevant SEBI Circulars, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in ISR-3 or SH-14 as the case may be. The said forms can be downloaded from our website at https://ashikagroup.com/investor_relation.php and website of the Registrar and Transfer Agent ('RTA') at www.mdpl.in. Members are requested to submit the said details to their Depository Participants in case the shares are held by them in dematerialized form and to the Company's RTA in case the shares are held by them in physical form, quoting their folio number.
11. In supersession of earlier circular dated 3rd November, 2021, SEBI vide circular dated 16th March, 2023 has mandated the listed companies to update PAN, KYC, Bank details and Nomination of all shareholders holding shares in physical form. Folios wherein any one of the cited details / documents is not available with the Company/ R&T Agent, on or after 1st October, 2023, shall be frozen as per the aforesaid SEBI circular. The investor service requests forms for updation of PAN, KYC, Signature, Bank details and Nomination or

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changes therein viz., Forms ISR-1, ISR-2, ISR-3, SH-13, SH-14 are available on our website www.ashikagroup.com at https://ashikagroup.com/investor_relation.php and on the website of RTA at www.mdpl.in. Further, Members are requested to download the form and send the hard copies of the form along with supporting documents to the RTA, M/s Maheshwari Datamatics Pvt Ltd at, 23 R.N Mukherjee Road, 5th Floor, Kolkata 700001. In view of the above, we urge the shareholders to submit the Investor Service Request form along with the supporting documents at the earliest. The Company has sent a letter to the shareholders holding shares in physical form in relation to the aforesaid on 28th December, 2021, 30th January, 2023 and 17th April, 2023. In respect of shareholders who hold shares in the dematerialized form and wish to update their PAN, KYC, Bank Details and Nomination are requested to contact their respective Depository Participants.

12. We urge Members to support our commitment to environmental protection by choosing to receive the Company's communication through e-mail. Members holding shares in dematerialised form, who have not registered their e-mail addresses are requested to register their e-mail addresses with their respective Depository Participants, and Members holding shares in physical form are requested to update their e-mail addresses with Company's R&T Agent in Form ISR-1 available at the website of the Company at https://ashikagroup.com/investor_relation.php and RTA at www.mdpl.in for receiving all communication, including Annual Reports, Notices, Circulars, etc. from the Company electronically.
13. SEBI has mandated submission of PAN by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their Depository Participants. Members holding shares in physical form are requested to submit their PAN details to the Company's RTA.
14. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
15. SEBI vide its notification dated January 24, 2022 has amended Regulation 40 of the SEBI (LODR) and has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialised form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or the Company's RTA, for assistance in this regard.
16. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or MDPL, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
17. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
18. Members are requested to note that, dividends if not encashed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Further, all the shares in respect of which dividend has remained unclaimed for 7 consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. In view of this, Members are requested to claim their dividends from the Company's R&T Agent by furnishing proper documentary evidence, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in.

Pursuant to the Provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded details of unpaid and unclaimed amounts lying with the Company as on 31st March, 2022 on the website of the Company www.ashikagroup.com and also filed details of the same with Ministry of Corporate Affairs.

19. Members are requested to quote their Folio numbers / DP Id and Client Id in all communication / correspondence with the Company or its RTA. All documents, transfers, dematerialization requests and other communications in relation thereto should be addressed directly to the Company's Registrar and Transfer Agent, Maheshwari Datamatics Pvt Ltd, at the address mentioned below:

MAHESHWARI DATAMATICS PVT LTD
Registrar and Share Transfer Agent
23, R.N. Mukherjee Road, 5th Floor
Kolkata – 700001

THE PROCESS AND MANNER FOR MEMBERS OPTING FOR VOTING THROUGH ELECTRONIC MEANS ARE AS UNDER:

20. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI Circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to "e-voting Facility Provided by Listed Entities"; the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The facility of casting votes by a member using remote e-voting system before the Meeting as well as remote

Notice

e-voting during the AGM will be provided by NSDL. The instructions for e-voting are given herein below.

21. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on **Saturday the 9th Day of September 2023** ('cut-off date') shall be entitled to vote in respect of the shares held, by availing the facility of remote e-voting prior to the AGM or remote e- voting during the AGM.
22. The remote e-voting period commences on **Wednesday the 13th Day of September 2023 (9.00.A.M. IST)** and ends on **Friday the 15th Day of September 2023 (5.00 P.M. IST)**. During this period, members of the Company, holding shares as on the cut-off date i.e **Saturday the 9th Day of September 2023**, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently or cast the vote again. The facility for voting through electronic voting system shall also be made available during the AGM. Members attending the AGM who have not cast their vote by remote e-voting and otherwise not barred from doing so, shall be eligible to cast their vote through e-voting during the AGM.
23. The details of the procedure and manner for remote e-voting /joining the 30th AGM, are explained herein below :

How do I vote electronically using NSDL e-Voting system?




The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|---|--|
| Individual Shareholders holding securities in demat mode with NSDL. | <ol style="list-style-type: none"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "NSDL Speed e" facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>    </div> |

Notice

| | |
|--|---|
| Individual Shareholders holding securities in demat mode with CDSL | <ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System myeasi Tab and then use your existing my easi username & password. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL

| Login type | Helpdesk details |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33 |

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

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4. Your User ID details are given below :
- | Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|--|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****. |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |
5. Password details for shareholders other than Individual shareholders are given below:
- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - "Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Process for those shareholders whose email ids are not registered with the depositories/Company/RTA for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

- In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front

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and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by sending an email to Company's mail id at secretarial@ashikagroup.com

- In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to secretarial@ashikagroup.com.

If you are Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.

- Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
- In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

GENERAL INFORMATION FOR SHAREHOLDERS

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager at evoting@nsdl.co.in
- Only those Members/ Members , who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- The Members can opt for only one mode of remote e-voting i.e. either prior to the AGM or during the AGM. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of AGM and holding shares as on the cut-off date i.e. **Saturday the 9th Day of September 2023**, may cast their votes electronically through remote e-voting by obtaining the login ID and password by sending a request at evoting@nsdl.co.in or mdpldc@yahoo.com. However, if he/she is already registered with NSDL for remote e-voting then he/she can use their existing user ID and password for casting their vote. If he/she forgets his/her password, he/she can reset the password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or by calling on 022 - 4886 7000 and 022 - 2499 7000. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned in the Notice of the AGM under Step 1: "Access to NSDL e-Voting system" (above).
- Mr. Mohan Ram Goenka, Practising Company Secretary (CP No. 2551), Partner at M/s. M.R. & Associates, Practicing Company Secretaries, has been appointed by the Board of Directors of the Company as the Scrutinizer for conducting the remote e-voting process as well as the e-voting system on the date of the AGM, in a fair and transparent manner, and he has communicated his willingness to be appointed.
- The Scrutinizer shall, immediately after the conclusion of voting at the AGM, scrutinise the votes cast at the meeting and votes cast through remote e-voting and make, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, and submit the same to the Chairman or a person authorised by him in writing, who shall countersign the same.
- In accordance with Regulation 44(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the results will be declared within two working days of conclusion of AGM, in the prescribed format along with the report of the Scrutinizer and the same shall be placed on the website of the company www.ashikagroup.com and on the website of NSDL <http://www.evoting.nsdl.com> immediately after the declaration of result. The results shall also be forwarded to the exchanges, where the shares of the company are listed. The results shall also be displayed on the notice board at the registered office of the company.
- Subject to the receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting i.e. 16th Day of September 2023.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- Member will be able to attend the AGM through VC/OAVM or view the live webcast of AGM provided by NSDL at <http://www.evoting.nsdl.com>, members may access by following the steps mentioned above for **Access to NSDL E-voting System**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on

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VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further, Members can also use the OTP based login for logging into the e-voting system of NSDL.

2. The Members can join the AGM through the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. can attend the AGM without any restriction on account of first-come-first-served principle.
3. Members are requested to join the Meeting through Laptops for better experience and members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connected via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of glitches.

PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT AND REGISTRATION AS SPEAKER AT THE AGM

4. For ease of participation by the members and keeping in view smooth conduct of the proceedings at the AGM, the members who would like to express their views or have questions may send their questions in advance mentioning their name, demat account number/folio number, e-mail id, mobile number at secretarial@ashikagroup.com. The questions received till **5. p.m., Saturday the 9th Day of September 2023** will be considered and replied by the company suitably.
5. Members willing to express their views or ask questions during the AGM are required to register themselves as speakers by sending their requests from **Wednesday the 6th day of September 2023 (9:00 A.M. IST) till Saturday the 9th Day of September 2023 (5:00 P.M. IST)** at secretarial@ashikagroup.com from their registered e-mail addresses mentioning their names, folio numbers / demat account numbers, PAN details and mobile numbers. Only those Members who have registered themselves as speakers will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of questions, time allotted and number of speakers to ensure smooth conduct of the AGM.

By Order of the Board of Directors
for **ASHIKA CREDIT CAPITAL LIMITED**

(Anju Mundhra)

Company Secretary
Membership no: F6686

Date: August 8, 2023
Place: Kolkata

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EXPLANATORY STATEMENT

The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('Act'), given hereunder sets out all material facts relating to the special business mentioned at Item No. 3 & 4 of the accompanying Notice dated August 8, 2023

Item No. 3

Mr. Ajay Pratapray Shanghavi (DIN – 00084653) was appointed as an Additional Independent Director of the Company by the Board of Directors in their meeting held on 8th August 2023 on recommendation of Nomination and Remuneration Committee of the company. He is not liable to retire by rotation. Pursuant to the provisions of Section 161(1), Regulation 17 (1C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 of the Companies Act, 2013 and the Articles of Association, he is eligible for appointment for a term of Two (2) consecutive years i.e., from 1st September, 2023 subject to the approval of the Members at the ensuing General Meeting of the Company. Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ('the Act') and Articles of Association of the Company, Mr. Shanghavi was liable to hold office up to the date of this AGM and is eligible to be appointed as a Director. The Company has, in terms of Section 160(1) of the Act, received a notice in writing from a Member of the Company proposing Mr. Ajay Pratapray Shanghavi, as a candidate for the office of Director.

The Brief Profile of Mr. Ajay Pratapray Shaghavi is given below:

Mr. Ajay Pratapray Shaghavi is an MBA from the prestigious Jamnalal Bajaj Institute, Mumbai and he has also completed his Mechanical Engineering, Production Engineering Polytechnic Foundry Technology with distinction. He is a results-driven professional with over 38 years of hands-on experience in leading and expansion of various medium and large-scale companies in industries such as engineering, manufacturing, packaging, IT, ITES, EdTech, financial services, media and entertainment. He has an expertise in incubation of business, in developing new products and markets, and has gained in-depth knowledge and exposure in setting up Greenfield projects, Corporate Management, Taxation, Litigation, Arbitration, Labour Management, Union Management and Business Development, , business acquisition, managing businesses at corporate level, arranging funding through equity and debt, restructuring of companies, amalgamation of companies, audit and compliance. He has been on the board of over 30 companies encompassing different industries.

Mr. Shanghavi has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act. In terms of Regulation 25(8) of the Listing Regulations, he has also confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director without any external influence. Further, he is neither disqualified from being appointed as a Director in terms of Section 164(2) of the Act, nor debarred from holding the office of director by virtue of any SEBI order or any other such authority and has successfully registered himself in the Independent Director's data bank maintained by Indian Institute of Corporate Affairs and is exempted from appearing in the Online Proficiency Self-Assessment Test. He has also given his consent to act as a Director in Form DIR-2. In the opinion of the Board, Mr. Shanghavi is a person of integrity, possesses relevant expertise / experience and fulfills the conditions specified in the Act and the Listing Regulations for appointment as an Independent Director and he is independent of the management.

The requisite details and information pursuant to Regulation 36(3) of the Listing Regulations, the Act and Secretarial Standards-2 issued by the Institute of Company Secretaries of India (ICSI), is provided as **Annexure A** to this Notice. Given his versatile experience and expertise, Board considers it desirable and in the interest of the Company to have Mr. Shanghavi on the Board of the Company and accordingly the Board recommends the appointment of Mr. Shanghavi as an Independent Director as set out at Item No. 3 of this Notice for approval by the Members.

The terms and conditions of appointment of Independent Director shall be open for inspection by the members at the Registered Office during normal business hours on any working day of the Company. Mr. Ajay Pratapray Shanghavi is interested and concerned in the resolution mentioned in Item no 3 of the notice. Other than Mr. Ajay Pratapray Shanghavi, no other Director, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said Resolution. Mr Shanghavi does not hold any Equity Shares in the Company as on date of this Notice.

Item No. 4

Mr. Tapan Sodani (DIN – 01921743) was appointed as an Additional Independent Director of the Company by the Board of Directors in their meeting held on 8th August 2023 on recommendation of Nomination and Remuneration Committee of the company. He is not liable to retire by rotation. Pursuant to the provisions of Section 161(1), Regulation 17 (1C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 of the Companies Act, 2013 and the Articles of Association, he is eligible for appointment for a term of one (1) year i.e. from 1st September 2023, subject to the approval of the Members at the ensuing General Meeting of the Company. Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ('the Act') and Articles of Association of the Company, Mr. Sodani was liable to hold office up to the date of this AGM and is eligible to be appointed as a Director. The Company has, in terms of Section 160(1) of the Act, received a notice in writing from a Member of the Company proposing Mr. Tapan Sodani, as a candidate for the office of Director.

The Brief Profile of Mr. Sodani is given below:

Mr. Tapan Sodani, FCA, is having a rich experience of more than 30 years in the fields of Sustainable Corporate Commercial Policy Designing,

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Accounting, functional systems development, fiscal management and financial Reporting, Developing strong MIS and implementation of financial and operational controls, Managing Corporate Administration & Commercial Activities, Project Cost Preparation - Analysis & Monitoring, Balance Sheet Analysis and Reporting of Analysis Synopsis, Accounting, financial & tax management and so on. He is currently associated as Proprietor of M/s Sodani Tapan, Chartered Accountant. He has been associated and worked for prestigious Corporate like SREI Group (approx 25 years), Kothari Group of Hospitals and others, in respectable positions.

Mr. Sodani has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act. In terms of Regulation 25(8) of the Listing Regulations, he has also confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director without any external influence. Further, he is neither disqualified from being appointed as a Director in terms of Section 164(2) of the Act, nor debarred from holding the office of director by virtue of any SEBI order or any other such authority and has successfully registered himself in the Independent Director's data bank maintained by Indian Institute of Corporate Affairs and is exempted from appearing in the Online Proficiency Self-Assessment Test. He has also given his consent to act as a Director in Form DIR-2. In the opinion of the Board, Mr. Sodani possesses the requisite skill sets, expertise, versatile knowledge and fulfills the conditions specified in the Act and the Listing Regulations for appointment as an Independent Director and he is independent of the management.

The requisite details and information pursuant to Regulation 36(3) of the Listing Regulations, the Act and Secretarial Standards-2 issued by the Institute of Company Secretaries of India (ICSI), is provided as **Annexure A** to this Notice. Given his versatile experience and expertise, Board considers it desirable and in the interest of the Company to have Mr. Sodani on the Board of the Company and accordingly the Board recommends the appointment of Mr. Sodani as an Independent Director as set out at Item No. 4 of this Notice for approval by the Members.

The terms and conditions of appointment of Independent Director shall be open for inspection by the members at the Registered Office during normal business hours on any working day of the Company. Mr. Tapan Sodani is interested and concerned in the resolution mentioned in Item No. 4 of the notice. Other than Mr. Sodani, no other Director, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said Resolution. Mr. Tapan Sodani does not hold any Equity Shares in the Company as on date of this Notice.

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ANNEXURE A to the Notice of Annual General Meeting

DETAILS OF THE DIRECTOR SEEKING RE-APPOINTMENT AT THE THIRTIETH ANNUAL GENERAL MEETING IN PURSUANCE OF REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) 2015 AND SECRETARIAL STANDARDS-2 ISSUED BY ICSI

| Name | Mr. Amit Jain | Mr. Ajay Pratapray Shanghavi | Mr. Tapan Sodani |
|---------------|--|--|---|
| DIN | 00040222 | 00084653 | 01921743 |
| Date of Birth | 13 th December, 1976 | 8 th March, 1962 | 28 th December, 1960 |
| Qualification | B.Com (Hons.), ACA | MBA, Mechanical Engineer, Production Engineer, Polytechnic Foundry Technology | FCA, B.Com (H) |
| Brief Profile | <p>Mr. Amit Jain is a qualified Chartered Accountant having expertise and versatile knowledge and experience of more than 20 years in the field of Broking, retail Marketing, Mutual Fund, finance, accounts, taxation, Audit etc. He is associated with Ashika Group since 2003 and is presently Executive Director of Broking Arm of the Group. His vast experience in the field of Broking, Mutual Fund and finance has always steered the company to achieve a high degree of corporate governance and has set standards in reporting and presenting the financial affairs of the organization. He is a team player and an asset to the company. He holds directorship in other companies of the group including the Listed arm. He had also served as Chief Financial officer of Ashika Credit Capital Ltd.</p> | <p>Mr. Ajay Pratapray Shanghavi is a dedicated and results-driven professional with over 38 years of hands-on experience in leading and expansion of various medium and large-scale companies in industries such as engineering, manufacturing, packaging, IT, ITES, EdTech, financial services, media and entertainment, etc.</p> <p>He has been on the board of over 30 companies encompassing different industries and gained in-depth exposure to Corporate Management, Taxation, Litigation, Arbitration, Labour Management, Union Management and Business Development.</p> <p>He has specialised in setting up greenfield projects, business acquisition, managing businesses at corporate level, arranging funding through equity and debt, restructuring of companies, amalgamation of companies, audit and compliance. His core competence areas are corporate strategy, business growth plans and strategy, HR strategy, managing board meetings and annual general meetings of listed and unlisted companies, passion and knowledge in incubation of businesses as well as development of new products and markets.</p> | <p>Mr. Tapan Sodani is a qualified Chartered Accountant having a rich experience of more than 30 years in the fields of Sustainable Corporate Commercial Policy Designing, Accounting as well as functional systems development, fiscal management and financial Reporting, Developing strong MIS and implementation of financial and operational controls, Managing Corporate Administration & Commercial Activities, Project Cost Preparation & Analysis & Monitoring, Balance Sheet Analysis and Reporting of Analysis Synopsis, Accounting, financial & tax management and so on. He is currently Associated as Proprietor of M/s. Sodani Tapan, Chartered Accountant. He has been associated and worked for prestigious Corporate like SREI Group (approx 25 years), Kothari Group of Hospitals and others, in respectable positions. His major strength lies in taking up challenging Assignments, delegating the job with Team & Leading the team to get the job done and Owning the accountability and responsibility</p> |
| Experience | More than 20 years | More than 38 years | More than 30 years |

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| Name | Mr. Amit Jain | Mr. Ajay Pratapray Shanghavi | Mr. Tapan Sodani |
|---|--|--|--|
| Expertise in specific functional Area | Mutual fund, Broking, Finance, Accounts, Taxation and Audit. | Setting up Greenfield projects, business acquisition, managing businesses at corporate level, arranging funding through equity and debt, restructuring of companies, amalgamation of companies, audit and compliance and so on. | Sustainable Corporate Commercial Policy Designing, Accounting as well as functional systems development, fiscal management and financial Reporting, Developing strong MIS and implementation of financial and operational controls, Managing Corporate Administration & Commercial Activities, Project Cost Preparation & Analysis & Monitoring, Balance Sheet Analysis and Reporting of Analysis Synopsis, Accounting, financial & tax management, Working Capital Management, Investment Management, Cash Flow Management and so on. |
| Remuneration Last drawn (including sitting fee, if any) as per last audited Balance sheet as on 31 st March 2023 | Being Non-Executive Director of the Company, he is not being paid any remuneration in the Company. | N.A., Being first appointment on the Board of Ashika Credit Capital Limited | N.A., Being first appointment on the Board of Ashika Credit Capital Limited |
| Date of first appointment on the Board | 04/08/2021 | 01/09/2023 | 01/09/2023 |
| Relationship with other Directors / KMP | Nil | Nil | Nil |
| Directorship held in other Companies | <ul style="list-style-type: none"> ❖ Ashika Logistics Private Limited ❖ Ashika Business Private Limited ❖ Ashika Stock Broking Limited ❖ Ashika Global Securities Private Limited ❖ Puja Sales Promotion Private Limited ❖ Ashika Stock Broking IFSC Private Limited ❖ Ashika Commodities & Derivatives Private Limited | <ul style="list-style-type: none"> ❖ Steelco Gujarat Limited ❖ United Interactive Limited ❖ Integra Capital Management Limited ❖ Bhai Investments Private limited ❖ Neo Neem Extractions Private Limited ❖ Randhawa Construction Private Limited ❖ Gourmet Logistics Private Limited ❖ Denovo Enterprises Private Limited ❖ Nihon Technology Private Limited ❖ Q2AMedia Services Private Limited ❖ Chand Industries Limited ❖ Global Emerging Markets India Limited ❖ Patina Designs Private Limited ❖ Verve Beauty & Fitness Private Limited ❖ Metalight Productions Private Limited | Nil |

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| Name | Mr. Amit Jain | Mr. Ajay Pratapray Shanghavi | Mr. Tapan Sodani |
|---|--|--|--|
| Membership / Chairmanship of the Committee of the Board of Directors of other Companies in which he/she is a Director (excluding Ashika Credit Capital Ltd) | Member of CSR committee (Ashika Stock Broking Ltd. | Member of Audit Committee (United Interactive Limited) | Nil |
| Number of listed entities from which the Director has resigned in the past three years | Nil | Nil | ❖ Authum Investment & Infrastructure Limited |
| Number of Equity Shares held in the Company as on 31 st March, 2023 | Nil | | Nil |



Registered office

Trinity, 226/1, A.J.C Bose Road
7th Floor, Kolkata 700020

T: (033) 40102500, F: (033) 40033254

E: secretarial@ashikagroup.com

W: www.ashikagroup.com