ASHIKA CREDIT CAPITAL LTD.
CIN: L67120WB1994PLC062159

8th August, 2022

The Listing Department The Calcutta Stock Exchange Limited, 7, Lyons Range, Kolkata-700 001 **Scrip Code: 11591& 10011591**	General Manager Department of Corporate Service BSE Ltd Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400001 **Scrip Code: 590122**	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

Dear Sir/Ma'am,

Sub: Submission of Annual Report convening the 29th Annual General Meeting of Ashika Credit Capital Limited for the Financial Year ended 31st March 2022

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 29th Annual General Meeting (AGM) of Ashika Credit Capital Limited ("the Company") scheduled to be held on **Saturday, 3rd September, 2022 from 12 Noon** (IST) through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) for the Financial Year ended 31st March, 2022.

The Company has engaged the services of NSDL to provide remote e-Voting facility and e-Voting facility during the AGM. The remote e-Voting period will commence **on Wednesday, 31st August, 2022, 09:00 A.M. (IST) and will end on Friday, 2nd September, 2022, 05:00 P.M. (IST).** During this period, the Members of the Company, holding shares both in physical or dematerialized mode, as on the **cut-off date, i.e. Saturday, 27th August, 2022**, may cast their votes.

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 2021-2022 is being 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 AGM notice has also been made available on the website of the company under the web link at https://ashikagroup.com/images/blog_images/ASHIKA-ANNUAL-REPORT-2022.pdf

This is for your information and record.

Thanking you,
for, **Ashika Credit Capital Limited**

Anju Mundhra
Company Secretary
FCS: 6686

Ashika Credit Capital Ltd. Kolkata

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

Opportunities in
Challenging Times.

Ashika Credit Capital Limited

Annual Report 2021-22

Inside the report

Corporate Overview 1-7

Statutory Reports 8-54

Financial Section 55-116

Notice of AGM 117-138

Investor information

You can also view this report online at
https://ashikagroup.com/investor_relation.php

CIN	L67120WB1994PLC062159
BSE Code	ASHIKACR | 590122
MSEI	ASHIKA
CSE	11591/10011591
ISIN	INE094B01013
AGM Date	03, September, 2022
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
Ms. Sonu Jain	–	Independent Director
Ms. Suparna Sengupta	–	Independent Director
Mr. Amit Jain	–	Non Executive Non Independent Director

CHIEF FINANCIAL OFFICER
Mr. Gaurav Jain

COMPANY SECRETARY & COMPLIANCE OFFICER
Ms. Anju Mundhra

STATUTORY AUDITORS
DMKH & CO
Chartered Accountants
803-804, Ashok Heights, Nicco Circle,
Near Bhuta School, Old Nagardas X Road,
Gundavali , Andheri East,
Mumbai - 400069

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

PRINICIPAL BANKERS
HDFC Bank Ltd.

REGISTERED OFFICE
'Trinity' 226/1 A. J. C. Bose Road
7th Floor, Kolkata – 700 020
Tel : (033) 40102500
Fax : (033) 40102543
Email : secretarial@ashikagroup.com
Website : www.ashikagroup.com

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

CIN
L67120WB1994PLC062159

REGISTRAR & SHARE TRANSFER AGENT
Maheshwari Datamatics Pvt. Ltd.
23, R. N. Mukherjee Road, 5th Floor,
Kolkata 700 001
Tel : (033) 22482248, 2243-5029
Email: mdpldc@yahoo.com
Website : www.mdpl.in

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

Adversities always provides fantastic opportunities to some. Unexpected obstacles arose in FY 2021-22, putting humanity's resilience to the test. At Ashika, we saw these uncertainties as the testament of our ability to bounce back and succeed in the face of adversity.

Our business model and market knowledge helped us to sustain momentum and it was our management bandwidth that helped us find new opportunities in the crisis driving the value creation process at Ashika. On one hand we reposed our clients' trust on the other we continued to develop persistent valued creation for our stakeholders.

We were inspired to find opportunity in a crisis by the uncertain business climate. We are ready to pursue newer opportunities, bolstered by the insightful decision-making.

Ashika Credit Capital Limited, is one of Eastern India's integrated non-deposit taking Non-Banking Financing Company (NBFC), carrying on fund based activities like providing Loan and advances, both secured and unsecured, making investment in shares & securities.

With over two and half decades of experience and headquartered in Kolkata and Corporate office in Mumbai, we have worked with innumerable domestic clients. By offering pioneering strategies around transactions, we have won the trust and confidence of a varied client base across several locations. We are well-positioned to take advantage of upcoming market and industry possibilities to create value to our stakeholders and clients across business segments because of our focus, commitment, and determination.

Vision: To be a globally recognized financial service provider, leveraging the best of technology, people and ideas.

Mission: To reach our vision with integrity, honesty and fairness to all stakeholders viz clients, employees, business associates, regulatory authorities and society.

Growing attribute

Total Income	Profit after Tax	Networth	Net Non-Performing Assets	Debt: Equity
₹723.46 Lakhs	₹350.67 Lakhs	₹5145.68 Lakhs	2.11 %	0.19

Pillars of success at Ashika

- Strong track record of over two and half decades of partnership with clients.
- Healthy liquidity position.
- Diversified funding sources and strong credit profile.
- Consistent track record of business growth even during tough times.
- Peoples, partners of growth.
- Strict Corporate Governance

Chairman's Message

> The Company's net profit surged 114.49% in FY22, while EPS increased by 113.77%. While it is fair to state that we were reasonably protected from the impact of the pandemic-induced slowdown due to agility of our management team.

At the commencement of year 2021, there was a renewed sense of optimism for recovery from the difficulties of the previous year, but soon the humanity was confronted the devastating second COVID-19 wave. Yet, the sheer resilience was evident from the fact that the virus was considerably subdued and the economy is picking up gradually..

Resilient Domestic Economy

The Indian economy remains on track to regain its position as the world's fastest-growing major economy after official estimates by the National Statistical Office (NSO), which in its second advance estimate sees the country's GDP growth at 8.9% in FY22.

NBFCs were slightly impacted in the FY 22 due to less stringent lockdown and no moratorium during the second wave, and so their disbursements and collections were less affected. On the contrary, there was significant improvement in collection efficiency and asset quality, which led to lower provisioning for NPAs, while some NBFCs even wrote back provisioning, showing a K- shaped recovery.

Growth in Challenging Times

At a time when most of our sectoral peers have escaped the brunt of the COVID-induced slowdown due to resurgent domestic economy, Ashika Credit Capital Ltd. also stepped up its ante, during these challenging times by swiftly evolving a two-pronged approach which focused on: (i) conservation and prudence; and (ii) initiation of an ambitious business transformation plan.

- We enabled the health and safety of our employees during the raging 2nd and 3rd wave of the pandemic.
- To ensure conservatism in new loan bookings, we analysed and calibrated the risk profiles of each business segments.
- As the subsequent waves started to abate, we accelerated business divisions rapidly by focusing on customers less susceptible to the economic consequences of the pandemic.
- We focused more on investment in securities due to buoyant capital markets; offered secured loan against securities; decided to make prudent investments mainly in special cases involving open offer, buy-back, acquisition, Initial Public Offerings (IPOs), etc.
- With growing competition, we are focusing our energies on what matters the most to the customers, employees and investors with a robust business model that can be value-accretive over the long-term.

Thus, the company's net profit surged 114.49% in FY22, while EPS increased by 113.77%. While it is fair to state that we were reasonably protected from the impact of the pandemic-induced slowdown due to agility of our management team.

Outlook

Notwithstanding the devastating pandemic, the NBFCs sector showed a lot of resilience in FY22 and are expected to witness continued growth momentum in the upcoming quarters of FY23. However, the gross NPAs of NBFCs are likely to rise following the RBI's move to tighten the NPA norms in November 2021 with a limited impact for shorter-tenure loans due to revised NPA norms. We expect the NBFCs to report higher growth and profitability on the back of improved margin..

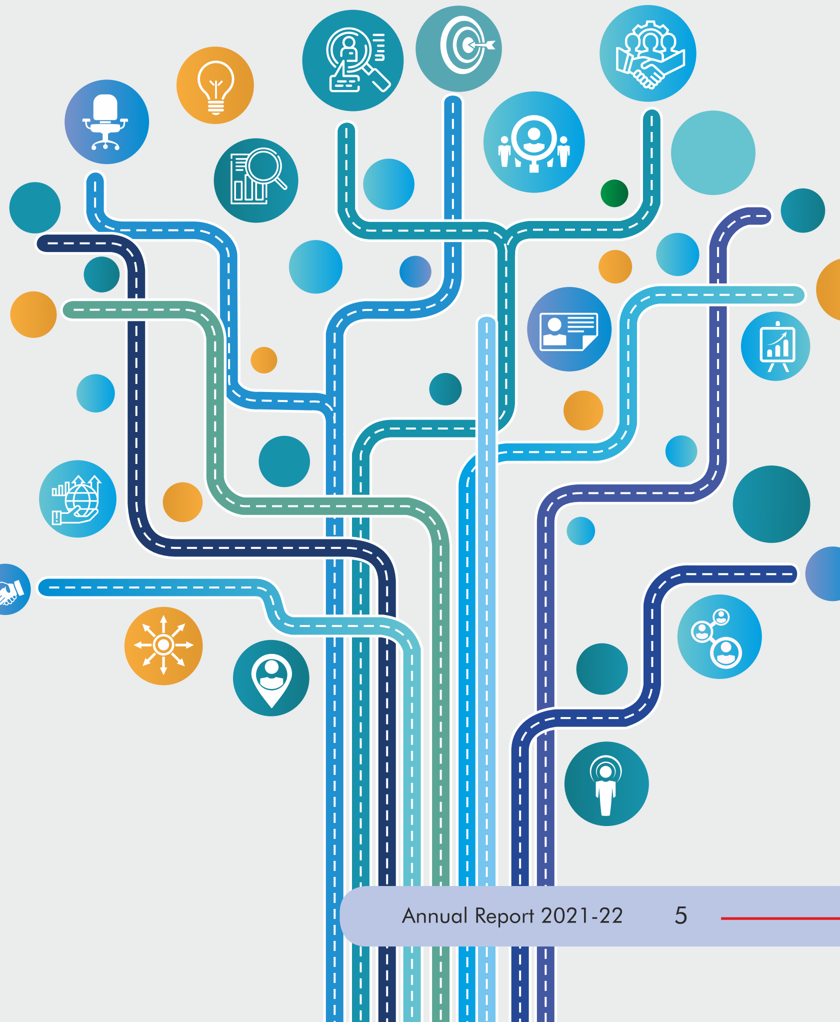
Conclusion

With a firm belief on our robust business structure, prudent focus and potential of the NBFC segment and its ability to reach out to the underserved sections of the society and utilize every downturn as an opportunity, I take this opportunity to acknowledge and thank our employees for their dedication, commitment and contribution, which have enabled us to achieve the results. I also thank our customers, vendors, bankers, central and state governments and all other stakeholders for their undeterred confidence, trust and support. I thank all our colleagues for their continuous guidance during the year.

With Warm Regards,

Pawan Jain

> "We focused more on investment in securities due to buoyant capital markets; offered secured loan against securities"



ASHIKA
GROWING & SHARING WITH YOU

Opportunity in challenging times by **mitigating risk and maximising return**

Risk mitigation: Risk is an integral part of any business, so the need to mitigate potential risk is important. Our approach is to focus on relevant strategies to meet the core financial needs of diverse clients in the rapidly changing business scenarios. This means that you need to manage your business more efficiently, create more value for your customers, and develop risk-oriented business models.

We have one of the fastest credit approval policies backed by a dual strength system that gives us even more advantages. On the one hand, it strengthens our customers' trust in us. Second, our powerful systems and processes help minimize bad debt amortization.

Our Investment are made on basis of strong research of market, prevailing trends, thorough study of financials of companies

Maximising return: We always believe that the wise use of capital is the best way to maximize the interests of our stakeholders. However, it is easier said than done. This meticulous result is achieved through proper planning, organizing, directing, and controlling the activities of the entire organization.

During FY 21-22, we remained in the black despite business difficulties. We recalibrated and initiated focus on more profitable businesses like Investment in Capital Markets for quick and smart return to our stakeholders. We reduced the unsecured lending business and it was offered only to group companies. Secured lending was offered after thorough scrutiny of the borrower and against collaterals.

Our profitability during these difficult times demonstrates the strength of our business model, which has increased our reserves to ₹ 3957.51 Lakhs and our EPS stood at ₹ 2.95 per share. These returns will enhance stakeholder confidence in our business and our long-term commitment to value creation.

Opportunity in challenging times by **strong corporate governance practices**

Our well-defined governance structure help us create and protect value over the short, medium and long term.

Composition of the Board: The Board comprises 6 members, including 3 Independent Directors and 1 Non-Executive Non Independent Director and 2 Executive Directors. The Board functions through various Committees, which have been assigned specific responsibilities. These committees are headed by Board member as chairman.

Board diversity and responsibility: The board of directors is highly diversified in terms of expertise, discipline, educational qualifications and industry experience. The board of directors has three independent directors. The chairman of the board of directors is an executive member. The Company has a well-defined board diversity mechanism that looks at performance through a comprehensive lens.

The Board and the Senior Member personnel including the Chief Financial Officer and the Company Secretary meet at regular intervals to discuss key points and updates on business including financials heath, credit appraisal, human resources, regulations, enterprise risk management and strategy.

Code of conduct: The Board which has adopted a defined Code of Conduct and is binding to all the Board Members and Senior Management Personnel. The Code provides guidance on matters related to professional conduct, ethics and governance, while discharging their obligations as Directors of the Company.

Corporate policy: The Company has a well-defined whistle-blower policy that allows all employees to express concern about serious fraud within the organization. There is a robust system for dealing with complaints from stakeholders (employees, customers, shareholders), allowing stakeholders to send complaints to a dedicated email ID. The compliance team tracks these emails and resolves stakeholder complaints accordingly.

Board's Report

Dear Shareholders,

The Board of Directors are pleased to present the Company's Twenty-ninth Annual Report covering its' business and operations, together with the Annual Audited Financial Statements (standalone) for the financial year ended 31st March, 2022.

1. FINANCIAL HIGHLIGHTS

(Amount in ₹ Lacs)

Financial results for the year ended	31st March, 2022	31st March, 2021
Total Income	723.46	684.01
Profit/ (Loss) before tax	544.26	247.34
Less: Tax Expenses	193.59	(83.85)
Profit / (Loss) for the year	350.67	163.49
Other Comprehensive Income/ (Loss) for the year, net of Income Tax	1.99	1.29
Total Comprehensive Income	**352.66**	**164.78**

2. STATE OF COMPANY AFFAIRS:

The Financial Year 2021-22 was a year of recovery from the adverse impacts of COVID-19 pandemic. The Indian economy successfully faced the challenges posed by the second and third waves of the pandemic, all credit goes to the government for successful implementation of vaccination program, fiscal and monetary policies, stimulus measures of Reserve Bank of India, Central and State Government supporting the much-needed cushion for the stability of the economy. Non-Banking Financial Companies (NBFCs) are a key component of India's financial ecosystem. They have contributed towards supporting real economic activity and their role as a supplemental channel of credit

> Compliance Risk is one of the major risk faced by NBFC, so Compliance officer is entrusted to ensure strict observance of all statutory and regulatory requirements for the NBFC, including standards of market conduct, managing conflict of interest, treating customers fairly and ensuring the suitability of customer service

intermediation side-wise with banks is well recognized. NBFC provide financial inclusion to the underserved section of the society that does not have easy access to credit. The pandemic impacted the NBFCs operations, leading to decline in disbursements across the sectors. The support of government through various measures has kept the sector moving. Further, to strengthen supervision over NBFCs, the Reserve Bank of India (RBI) introduced scale-based regulation (SBR) and revised tighten NPA norms recognition and up-gradation norms during the year 2021-22.

Your company has recorded revenue from operations of Rs 723.46 Lacs as Interest Income during the year under review, as compared to Rs. 684.01 Lacs in its previous years showing an upward sign of growth. Your company has incurred finance cost to the tune of Rs. 8.49 Lacs during the year towards Loan availed from related parties /other NBFC etc. During the 2nd half of the year, your company has diverted towards investment in Secondary market. Overall, your company has shown a positive growth even during the critical phase of economy. Company has booked profit after tax of Rs 350.67 Lacs for the FY 2021-2022 as compared to Rs 163.49 Lacs in its previous year on account of efficient mobilization of funds, reduction in costs and overheads.

Your company had faced challenges, being in business of granting Loan. During the year under review, out of some of the loans for which provisioning was made in the previous FY, one of the said Loans has been written off as bad debt amounting to Rs 152.60 Lacs as per applicable norms and Expected Credit Loss policy of the company. Company has taken requisite legal measures for early recovery of the same. During the period under review, both revenues and operating profitability were strong as compared to the last year despite the 2nd and 3rd waves of the pandemic.

3. CHANGE IN NATURE OF BUSINESS:

There has been no change in nature of business of the company during the F.Y. 2021-2022. Your company is engaged in financial services i.e. providing Loan against securities, Un-Secured Loan, Investment in securities etc so there is only one segment reporting as per AS 17.

4. DIVIDEND:

The company has earned profit during the year under review and the said profit be ploughed back in the company and so Board of Directors decided not to recommended any dividend for the financial year ended 31st March 2022.

5. CHANGES IN SHARE CAPITAL:

The Authorized Share Capital of your Company as on 31st March, 2022 stands at Rs. 20,25,00,000/- divided into 2,02,50,000 equity shares of Rs. 10/- each. The Issued & subscribed Share Capital of your Company is Rs. 11,88,61,740/- divided into 1,18,86,174 equity shares of Rs. 10/- each and the Paid-up Share Capital is Rs. 11,88,00,000/- divided into 1,18,80,000 equity shares of Rs. 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 nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

6. TRANSFER TO RESERVE:

Your company proposes to transfer Rs 70.13 Lacs to statutory reserves u/s 45 IC of RBI Act, 1934 for the financial year ended 31st March 2022.

7. DIRECTORS & KEY MANAGERIAL PERSONNEL:

DIRECTORS

Your Company's Board is duly constituted and is in compliance with the requirements of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and provisions of the Articles of Association of the Company. The Board duly possesses requisite skills such as expertise, experience, knowledge, insight and so on.

Mr. Pawan Jain (DIN: 00038076), Executive Chairman and Whole Time Director and Mr. Daulat Jain (DIN: 00040088), Managing Director & CEO, whose existing tenure is expiring on 31st October 2022, have been re-appointed at meeting of

Board of Directors of the Company dated 17th May 2022 for a further period of consecutive 3 (three) years, effective from 1st November, 2022, based on the performance evaluation, on recommendation of Nomination & Remuneration committee and subject to the approval of shareholders in the ensuing general meeting. They are liable to retire by rotation. They continue to be Key Managerial Personnel (KMP) of the Company under Section 203 of the Act during their tenure of re-appointment. Notices have been received from a member pursuant to Section 160 of the Companies Act, 2013 ("Act") signifying the intention to propose Mr. Pawan Jain and Mr. Daulat Jain for appointment as Directors of the Company.

Pursuant to the recommendation of the Nomination & Remuneration Committee and subsequent approval of the Board and shareholders in the AGM held on 18th September 2021, Mr. Amit Jain (DIN: 00040222) was appointed as the Non-Executive Director of the company w.e.f 4th August 2021. He is liable to retire by rotation. Further, company had issued formal letter of appointment to Mr. Jain stating inter alia the terms and conditions of his appointment in the Company.

Ms. Sonu Jain (DIN: 07267279) was re-appointed as Non-Executive Independent Director of the Company for a second term of three (3) consecutive years w.e.f. 1st April, 2022 on recommendation of Nomination & Remuneration Committee and subsequent approval received from Board & Shareholders in the AGM held on 18th September 2021. 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

Mr. Pawan Jain (DIN 00038076), Executive Chairman & Whole time Director of the Company is liable to retire by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment. Your Board recommends the reappointment of Mr. Pawan Jain as a Director of the Company, liable to retire by rotation. This shall not constitute a break in the office of Mr. Pawan Jain as the Whole Time Director in the Company.

Pursuant to Regulation 36 of SEBI (LODR) Regulations, 2015, a brief resume / details relating to Directors who are proposed to be appointed/re-appointed and the details of the director liable to retire by rotation is furnished in the Notice of the ensuing Annual General Meeting (AGM) of the Company.

INDEPENDENT DIRECTORS

Your Company has received declaration from Independent Directors that they meet the criteria of Independence as laid down in Section 149(6) of the Companies Act, 2013 read with Regulations 16(1)(b) and 25(8) of the Listing Regulations and there is no change in their status of Independence and have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his/her ability to discharge his/her duties with an objective independent judgment and without any external influence. All requisite declarations were placed before the Board. Your company has also received declaration from Independent Directors that they have affirmed compliance with the Code for Independent Directors as prescribed in Schedule IV to the Companies Act, 2013 and also with the 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 2022.

Your Company has noted that all the Independent Directors of the Company have registered themselves with IICA in terms of Section 150 of the Act read with the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended thereof. Further, Board of Directors confirms that all the Independent Directors meet the criteria of proficiency in terms of Rule 8 of the Companies (Accounts) Rules, 2014 (as amended) read with Section 150 of Companies Act 2013 and Rules thereon.

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.

FAMILIARIZATION PROGRAMME

All new independent directors inducted into the Board attend an orientation program. The details of the training and familiarization program are provided in the Corporate governance report. Further, at the time of the appointment of an independent director, the Company issues a formal letter of appointment outlining his / her role, function, duties and responsibilities. The format of the letter of appointment is available on our website at the link https://ashikagroup.com/pdf/familiarization_programme/familiarisation-programme-2021-2022.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 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 and Whole time Director
- 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

8. MEETINGS OF THE BOARD:

The Board met four 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 formal Board meeting, or whenever the need arises for transacting business. Only in case of special and urgent business, if the need arises, the Board's/Committee's approval is taken by passing resolutions through circulation or by calling Board/Board Committee meetings at shorter notice, as permitted by law. The agenda for the Board and Committee meetings includes detailed notes on the items to be discussed to enable the Directors to take an informed decision.

Board meetings during FY 2021-2022 were held on: 6th May, 2021, 3rd August, 2021, 1st November, 2021 and 14th February, 2022. For details of the meetings of the Board, please refer to the Corporate Governance Report which forms a part of this Annual Report.

9. 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, 2022 , is available on the website of the Company at the link: https://ashikagroup.com/pdf/annual_return/MGT-7_ACCL.PDF

10. BOARD COMMITTEES:

The Company 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:

I. Audit Committee

II. Nomination and Remuneration Committee

III. Stakeholder's Relationship Committee

IV. Corporate Social Responsibility Committee

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.

The details of mandatory Board committees with respect to the composition, terms of reference, number of meetings held, etc. are included in the Report on Corporate Governance, which forms part of the Annual Report. During the year, all recommendations made by the committees were approved by the Board.

NOMINATION & REMUNERATION POLICY

The Company regards its employees as the most valuable and strategic resource and seeks to ensure a high performance work culture through a fair compensation structure, which is linked to both the Company and individual performance. The compensation is therefore based on the nature of job, as well as skill and knowledge required to perform the given job in order to achieve the Company's overall objectives.

The Company has devised a policy relating to the remuneration of Directors, KMPs and senior management employees pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations.

The Policy provides criteria for fixing remuneration of the Directors, KMPs, SMPs as well as other employees of the Company, as required. 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, commission), Key Managerial Personnel and SMP. 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 & the Remuneration Policy of the Company.

During the year under review, there have been no amendments made to Nomination & Remuneration Policy. The Policy is available on the website of the Company at https://ashikagroup.com/pdf/policies/ACCL-2022-03-Nomination-and-Remuneration-Policy-01.04.2019.pdf

11. 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 2021-2022 and it was duly taken on record by NRC committee, Independent Directors and Board in their respective meetings. The evaluation parameters and the process have been explained in the Corporate Governance report.

12. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this report (Annexure I).

In terms of the second proviso to Section 136(1) of the Act, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure.

Any Member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company at secretarial@ashikagroup.com.

No employee other than Whole Time Director has been paid remuneration of more than 1.02 crores per annum and also, none of them hold more than 2% of equity shares of the company. Further, Managing Director & CEO withdraws salary from two companies within the approved limit. As a result of the same, on account of the limits mentioned in the Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, this disclosure is not applicable to the Company.

13. 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.

14. AUDITORS

STATUTORY AUDITORS

In line with Section 139 of the Companies Act, 2013 and the Rules made thereunder, M/s. Haribhakti & Co., LLP, Chartered Accountants, having Firm Registration No. 103523W / W100048 were appointed as the Statutory Auditors of the Company at the 24th Annual General Meeting (AGM) of your Company held in the year 2017, to hold office for a term of 5 (Five) years from the conclusion of the 24th AGM held in the year 2017 till the conclusion of the ensuing 29th AGM of the Company to be held in the year 2022.

Further, pursuant to the Reserve Bank of India ("RBI") Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) vide its' Circular No. RBI/2021-22/25 Ref. No DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 read with FAQs, M/s. Haribhakti & Co. LLP, being ineligible to continue as Statutory Auditor of the company have tendered their resignation from the office of Statutory Auditors w.e.f. closing hours of 13th August, 2021, causing Causal vacancy in the office of Auditor .

Further, on recommendation of Audit committee and as approved by Board via circular resolution dated 12.08.2021, pursuant to the provisions of Sections 139, 141 of Companies Act, 2013, read with SEBI Circular No. CIR/CFD/CMD1/114/2019 dated 18th October, 2019, and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s DMKH & CO, Chartered Accountants, were appointed as Statutory Auditors of the company to fill the casual vacancy caused by resignation of M/s. Haribhakti & Co. LLP, Chartered Accountants. Further, members of the Company at the 28th AGM of the Company held on 18th September, 2021, have appointed M/s DMKH & CO, Chartered Accountants as Statutory Auditors of the company 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 and also approved the casual vacancy appointment.

In lieu of the above, Company has received consent letter for the said appointment pursuant to section 139 of Companies Act, 2013 along with the Certificate stating that the Statutory Auditors satisfy the criteria as provided u/s 141 of Companies Act 2013 w.r.t. their eligibility, qualification and disqualifications to act as Statutory Auditors of the company, along with a copy of the valid Peer Review Certificate.

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 F.Y. 2022-2023.

The Statutory Auditor has issued Audit Reports with unmodified opinion on the Standalone Financial Statements of the Company for the year ended 31st March, 2022. The Notes on the Financials Statement 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, neither the statutory auditors nor the secretarial auditor have reported to the Audit Committee of the Board, under Section 143(12) of the Act, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in this Report.

SECRETARIAL AUDITORS:

Section 204 of the Companies Act, 2013 and Regulation 24A of the SEBI (LODR) Regulations, 2015 inter alia requires every listed company to annex to its Board's report, a Secretarial Audit Report, given in the prescribed Form MR-3, by a Company Secretary in practice. The Board had appointed M/s. M R & Associates, Practicing Company Secretaries, as the Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial Year 2021-2022 and their report is annexed to this report (Annexure II). The Secretarial Auditors in their Report confirm that the Company has complied with the provisions of the applicable laws and does not contain any observation or qualification requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

Furthermore, the Secretarial Auditors, M/s. M R & Associates, Practicing Company Secretaries, have also certified the compliance as per Regulation 24A of the 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.

15. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Board has, pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and the Listing Regulations and Regulation 9A(6) of SEBI (Prohibition of Insider Trading) Regulations 2015, framed a 'Vigil Mechanism/ Whistle Blower Policy'. The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior. The Policy has been framed with a view to provide a mechanism, inter alia, enabling stakeholders including Directors, individual employees of the Company and their representative bodies to freely communicate their concerns about illegal or unethical practices and to report genuine concerns or grievances as also to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The Audit committee oversees the functioning of this policy. 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.

16. RISK MANAGEMENT FRAMEWORK:

The 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 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.

During the ongoing Covid 19 pandemic, your company had re-calibrated its risk management framework and approach to enable it to control & tighten risk factors to safe guard the business. All risk factors has been duly considered like Credit cost, Interest, behavior of moratorium customers, Business, Market, Strategic, Operational, Credit, Human Resource, Interest, Regulation & Compliance, Liquidity risk, changes in regulatory forbearance and response of the economy after the lockdown.

Compliance Risk is one of the major risk faced by NBFC, so Compliance officer is entrusted to ensure strict observance of all statutory and regulatory requirements for the NBFC, including standards of market conduct, managing conflict of interest, treating customers fairly and ensuring the suitability of customer service.

The Company continues to fulfill all the norms and standards laid down by RBI pertaining to non-performing assets etc. In line with the RBI guidelines for asset liability management (ALM) system for NBFCs, the Company 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 our 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.

17. CORPORATE SOCIAL RESPONSIBILITY:

Ashika's CSR initiatives and activities are aligned to the requirements of Section 135 of the Act read with Companies (Corporate Social Responsibility) Policy 2014 and Schedule VII of Companies Act, 2013. The CSR committee of the company comprises of three (3) members out of which two (2) are Independent Directors. The committee is chaired by Independent Director. Details of the role and functioning of the Committee are given in the Report on Corporate Governance, which forms part of the Annual Report.

Section 135 of Companies Act 2013 read with Companies (Corporate Social Responsibility) Rules, 2014 have been amended substantially with effect from 22nd January 2021. In the line with said amendments, Board has accordingly amended the CSR policy and the revised policy is available on the website of the Company at https://ashikagroup.com/pdf/policies/ACCL-2022-03-Corporate-Social-Responsibility-Policy-14.02.2021.pdf

The Company believes that CSR is a way of creating shared value and contributing to social and environmental good. Company's strategy is to integrate its activities in community development, social responsibility and environmental responsibility and encourage each business unit or function to include these considerations into its operations. The CSR budget was spent towards projects and programmes covered under Schedule VII to the Act, as approved by the CSR Committee of the Board and the Board of Directors. It takes up CSR projects/programmes through which contribution can be made directly by the Company or through Implementing Agency, which benefits the communities in and around, resulting in enhancing the quality of life of the people in the area where the group has its business operations.

During the year under review, your Company spent an amount of Rs. 7.25 Lacs as against its 2% obligation (i.e. 2% of Average Net Profits of the Company for the preceding three financial years) of Rs. 7.01 Lacs for the said F.Y. There was an excess amount spent which stood at Rs. 0.24 Lacs. Further, the Company was required to carry forward excess expenditure made for Rs. 2.12 Lacs in the financial year 2020-2021. Hence, in the Financial Year 2021-2022, excess amount to be adjusted and carried forward to succeeding financial years, stood at Rs. 2.36 Lacs. (i.e. Rs. 0.24 Lacs +2.12 lacs).

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).

18. 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 2022, being the end of the Financial Year of the Company to which financial statements relate and the date of the report.

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

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.

Manali Properties & Finance Ltd., had filed a complaint case against the company Ashika Credit Capital Ltd., and its Officers u/s 200 of the Code of Criminal Procedure in the Metropolitan Magistrate Court, Kolkata, which has been stayed by the Hon'ble Calcutta High Court vide its Order dated 12.09.2012 on an application filed by us u/s 482 of the Code of Criminal Procedure. The matter is still pending in the Metropolitan Magistrate Court, Kolkata due to stay granted against it. Further, it is pending in the Hon'ble High Court at Calcutta.

20. INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY:

Your Company has laid down standards and processes which enable internal financial control across the Company and ensure that the same are adequate and are operating effectively. The controls were tested during the year and no reportable material weaknesses either in their design or operation were observed. The Internal Audit is performed by an external independent firm which reports its findings to the Audit Committee periodically. Internal Audit provides assurance to the Board on effectiveness of internal financial control functioning and quality through continuous monitoring and operational testing by the internal audit function. 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.

21. 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. Pursuant to MCA Notification dated 11th October, 2019, the Company being an NBFC is exempted from the compliance of the provisions of Section 186 of Companies Act 2013.

22. 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.

23. PARTICULARS OF CONTRACTS/ TRANSACTIONS / ARRANGEMENTS WITH RELATED PARTIES:

During the year under review, all related party transactions entered into by the Company, were placed before the Audit committee as well as Board for Approval. All RPT were at arm's length basis and in the ordinary course of business. The Company did not have any contracts or arrangements with related parties in terms of Section 188(1) of Companies Act 2013. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for FY 2021-2022 and hence does not form part of this report. Details of related party transactions entered into by the Company, in terms of IND AS-24 are disclosed in notes to the standalone/consolidated financial statements forming part of this Annual Report.

SEBI vide its notification dated 9th November 2021 had come up with SEBI (LODR) (Sixth Amendment) Regulations, 2021, enhancing the scope of related party, related party transactions (RPTs), and the materiality threshold for seeking shareholder approval , concept of material modifications etc and the same is effective from 01.04.2022 onwards. Further SEBI vide its circular dated 30.03.2022 had further issued clarity in regard to the aforesaid circular . Pursuant to Regulation 23(2) of SEBI (LODR) Regulations, 2015 and amendments and in pursuant to the aforesaid amendments in the regulation, the existing Policy on Materiality on Related Party Transactions & Dealing with Related Party Transaction was revised on recommendation by Audit committee and approved by Board of Directors in their meeting held on 14th day of February, 2022 and is effective from 1st day of April, 2022. The policy can be accessed from the link www.ashikagroup.com and can be downloaded at https://ashikagroup.com/pdf/policies/ACCL-2022-03-Related-Party-Transaction-Policy-wef-01.04.2022.pdf

In view of all afore-mentioned amendments effective from 01.04.2022, a detailed list of existing & proposed Related Party transactions , to be entered into between company & Related parties, involving transfer of resources, services or obligations, being material as per regulation 23 of SEBI (LODR) Regulations, 2015 and further, were eligible to qualify for subsequent material modifications, have been approved by Audit committee and Board, and shareholders by way of an Ordinary Resolution through Postal Ballot passed on 24th March, 2022. A statement giving details of all Related Party Transactions is placed before Audit Committee and the Board on a quarterly basis.

24. CORPORATE GOVERNANCE REPORT:

The Board of Directors of the Company ensure that the Company practices sound corporate governance and takes necessary actions at appropriate times for enhancing and meeting stakeholders' expectations while continuing to comply with the mandatory provisions of Corporate Governance. 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 2021-2022 contains a separate section on Corporate Governance alongwith a Certificate from the Practicing Company Secretary, certifying compliance with 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.

25. PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORK PLACE:

Your Company is an equal employment opportunity company and has zero tolerance towards sexual harassment at the workplace. Your Company provides a work environment which ensures that every woman employee is treated with dignity, respect and equality and any act of sexual harassment invites serious disciplinary action.

The Company has a Group policy for prevention of Sexual Harassment for Women at Workplace. An Internal Complaints Committee has been constituted in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('POSH'). Each complaint of sexual harassment is investigated by an Internal Complaint Committee chaired by women employee, providing full anonymity to the complainant and in cases where evidence of harassment is found, strict disciplinary action is initiated. All sexual harassment cases are reviewed and followed up by the Audit Committees. The premises are also equipped with CCTV cameras for security monitoring to ensure employees have a safe place to work. During the year under review, the Company received NIL complaints of sexual harassment. 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/pdf/policies/ACCL-2022-03-Group-Policy-on-Sexual-Harassment.pdf

26. 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.

27. 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 FY 2021-2022. Hence the said clause is not applicable to the Company with respect to its' nature of business.

28. 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.

29. 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).

Further, hearings are held as and when notified & ordered by NCLT, Delhi Bench. There was no proceeding pending against the Company under the IBC Code, 2016.

30. 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.

31. 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 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures.

b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March 2022 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.

32. 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
For **Ashika Credit Capital Limited**

Place: Kolkata	**(PAWAN JAIN)** *Chairman* DIN: 00038076	**(DAULAT JAIN)** *Managing Director & CEO* DIN: 00040088
Date: May 26, 2022		

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 2021-2022 and percentage increase in Remuneration of each Executive Director and Key Managerial Personnel (KMP) during the financial year 2021-2022

Name of the Directors & KMP with Designation	Remuneration for FY 2020-2021 (Rs in Crs)	Remuneration for FY 2021-2022 (Rs in Cr)	% of Increase in Remuneration of Directors, KMP in FY 2021-2022	Ratio of the remuneration of each director /KMP to median remuneration of the employee
Mr. Pawan Jain, Executive Chairman & WTD@	0	1.69	Nil	14.15
Mr. Daulat Jain, Managing Director & CEO@	0	0.12	Nil	1.05
Ms. Anju Mundhra, Company Secretary	0.17	0.28	62.22	2.31
Mr Gaurav Jain, Chief Financial Officer	0.18	0.21	16.03	1.75
Mr Amit Jain, Non Executive Non Independent Director (appointed wef 04.08.2021)	NA	NA	Nil	Nil

@ Forgone salary for the FY 2020-2021 due to Covid 19 pandemic

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) The increase in remuneration of Remuneration of KMP (CS & CFO) is considered keeping in view their duties and responsibilities, the performance of the Company and trend of remuneration in industry.

d) Any effect of % or median is considered for those who have been employed for the full FY and not for a part of the FY.

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) The percentage increase in the median remuneration of Employees in the financial year 2021-2022 is 135.74%.

(iii) There were 10 permanent employees on the rolls of Company as on 31.03.2022.

(iv) The average percentile increase made in salaries of employee other than Managerial personnel in the last financial year is 28.66% and whereas there was no increase in Managerial remuneration during the FY 2021-2022, the Managerial Personnel (WTD & MD) had forgone their remuneration during the FY 2020-2021 due to Covid 19 pandemic and so no justification is recorded.

(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 performance, the increase in % of remuneration is linked to organization performance apart from an individual's performance.

(vi) It is hereby confirmed that the remuneration paid to all Directors, KMP, Senior Managerial personnel and all other employees of the company during the FY 2021-2022, were as per the Nomination & Remuneration Policy of the company.

For and on behalf of the Board of Directors
For **Ashika Credit Capital Limited**

Place: Kolkata Date: May 26, 2022	**(PAWAN JAIN)** *Chairman* DIN: 00038076	**(DAULAT JAIN)** *Managing Director & CEO* DIN: 00040088

Annexure II

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule9 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, 2022 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, 2022, 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.

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 (Share Based Employee Benefits) Regulations, 2014/ The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as applicable

(c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 / The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as applicable;

(d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 / The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 as applicable;

(e) 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.

(ii) The Listing Agreements entered into by the Company with The Calcutta Stock Exchange Limited and Metropolitan Stock Exchange Limited. The Company's securities are permitted to be traded at BSE platform under "Permitted Securities Category".

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

We further report that the Company had a pending case filed by Manali Properties & Finance Ltd. against company and its officer u/s 200 of the Code of Criminal Procedure in the Metropolitan Magistrate Court, Kolkata, which has been stayed by the Hon'ble Calcutta High Court vide its Order dated 12.09.2012 and so the matter is still pending in the Metropolitan Magistrate Court, Kolkata due to stay granted against it.

We further report that during the audit period, the Company had obtained approval of shareholders:

i) by way of Ordinary Resolution passed through Postal ballot passed on 24.03.2022 to approve the Material Related Party Transactions.

ii) by way of Special Resolution passed on the Annual General Meeting dated 18.09.2021 to re-appoint Ms. Suparna Sengupta (DIN: 07689952) as Independent Director of the company for a second term of 3 consecutive years.

iii) by way of Special Resolution passed on the Annual General Meeting dated 18.09.2021 to re-appoint Ms. Sonu Jain (DIN: 07267279) as Independent Director of the Company for a second term of 3 consecutive years.

iv) by way of Ordinary Resolution, passed on the Annual General Meeting dated 18.09.2021 to appoint Mr. Amit Jain (DIN: 00040222) as Non-Executive Director of the company w.e.f 04.08.2021

v) by way of Ordinary Resolution passed on the Annual General Meeting dated 18.09.2021 to appoint M/s DMKH & Co, Chartered Accountants (Firm Registration No 116886W) to fill causal vacancy in office of Auditor of the company and further appointed as Statutory Auditor of the company for 3 consecutive years for FY 2022-2023 onwards.

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]
Partner
ACS No.:A34458
C P No.:14929
UDIN : A034458D000385248

Place : Kolkata
Date: May 26, 2022

"ANNEXURE – A"

TO THE SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

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 regulations is the responsibility of 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 regulations. We have not verified the correctness and coverage of the contents of such forms, reports, returns and documents.
7. 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]
Partner
ACS No.:A34458
C P No.:14929
UDIN : A034458D000385248

Place : Kolkata
Date: May 26, 2022

Annexure III

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 CSR vision of the Company is to build relationships of trust with local communities, society and stakeholders as good corporate citizen and to contribute towards developing a sustainable society for future generations. 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	3	3
2	Daulat Jain	Managing Director, Member of CSR Committee		3
3	Sagar Jain	Independent Director, Member of CSR Committee		3

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 Rs)	Amount required to be setoff for the financial year, if any (in Rs)
1	**2020-2021**	2.12 lacs	2.12 lacs
	TOTAL	NA	NIL

6. Average net profit of the company as per section 135(5): Rs. 350.86 lacs

7. (a) Two percent of average net profit of the company as per section 135(5) Rs. 7.01 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: Rs. 2.12 lacs

   (d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 4.89 lacs

Board's Report

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

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	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
7.25 lacs	N.A.		N.A.		

(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 Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	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 Rs.).	Mode of Implementation - Direct (Yes/No)	Mode of Implementation -Through Implementing Agency	
				State	District			Name	CSR registration Number
1	Protection of animals	Animal welfare	No	Karnataka	Bangalore	7.25 lacs	Yes	N.A.	N.A.
	TOTAL					7.25 lacs			

(d) Amount spent in Administrative Overheads: Nil

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

(f) Total amount spent for the Financial Year: (8b+8c+8d+8e) Rs. 7.25 lacs

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	7.01 lacs
(ii)	Total amount spent for the Financial Year	7.25 lacs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.24 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)] Amount carried forward for FY 2020-2021	0.24 lacs 2.12 lacs
	TOTAL amount available for set off	2.36 Lacs

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					

(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).** N.A.

(a) Date of creation or acquisition of the capital asset(s). 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
For Ashika Credit Capital Limited

Place: Kolkata Date: May 26, 2022	**(Sonu Jain)** *Chairperson, CSR Committee* DIN: 07267279	**(Daulat Jain)** *Managing Director & CEO* DIN: 00040088

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

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

Strong corporate governance is the bedrock of Ashika Credit Capital Limited's sustained performance and has helped the Company gain the trust and respect of all its' stakeholders. The Company has always believed in complying with the law not only in letter but in spirit as well. Creating value for all stakeholders is the prime goal of the Company. The Company has a duty towards all its stakeholders to operate the business of the Company with the core principles of accountability, transparency, integrity, societal, environment and regulatory compliances while creating long-term value for all its stakeholders. 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 believes that governance practices enable the Management to direct and control the affairs of the Company in an efficient manner and to achieve the Company's goal of maximising value for all its stakeholders.

The Board of Directors of the Company always adheres and supports Corporate Governance practices of the Company. The Company is in compliance with the requirements stipulated under Regulations 17 to 27 read with Schedule V and Regulation 46(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as applicable, with regard to corporate governance.

The details of Ashika's board structure and the various committees that constitute the Governance structure of the organization are covered in detail in this report.

2) BOARD OF DIRECTORS

The Board of Directors comprises of eminent persons with proficiency, qualification, competence, skills and expertise in the finance and taxation sector thereby ensuring the best interest of the stakeholders and the Company. The Board comprises of a mix of Independent and Non Independent Directors, to maintain the Board's independence and separate its functions of governance and management. As on 31st March, 2022, 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 composition of the Board complies with the provisions of the Companies Act, 2013 ("the Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations").

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. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act.

All the Directors have made necessary disclosures regarding their directorships as required under Section 184 of the Act and on the Committee positions held by them in other companies. None of the Directors hold office in excess of the limits as prescribed under Section 165(1) of the Act. Also, the directorship of all the Directors of the Company is in compliance with Regulation 17A of the Listing Regulations. Further, none of the Directors on the Board holds directorship in more than 7 (Seven) listed entities and serves as an Independent Director of more than 7 (Seven) listed entities. None of the Directors is related to each other except Mr. Pawan Jain and Mr. Daulat Jain, being relative and promoter directors.

The Board of Directors meet at least once in every quarter and also as and when required. During the financial year ended 31st March, 2022, four Board Meetings were held, on 6th May, 2021, 3rd August, 2021, 1st November, 2021 and 14th February, 2022. Further, Board also passed 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, 2022 is prescribed below:

Sl 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 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	-	-	4	Y	789000 holding in capacity of Karta of Pawan Jain - HUF
2	Mr. Daulat Jain (DIN: 00040088)	Promoter, Executive Director (Managing Director & CEO)	3	-	-	4	Y	450000
3	Mr. Amit Jain (DIN: 00040222)	Non Executive Director	2	-	-	4	Y	Nil
4	Mr. Sagar Jain (DIN: 00392422)	Non Executive Independent Director	2	2	1	4	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	4	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 2021-2022.

(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 4 (four) times. The details of attendance of the same are given here under.

Sl No	Name of Director	Dates of Meeting & Attendance in Board Meeting				Date of Meeting & Attendance in Annual General Meeting
		06.05.2021	03.08.2021	01.11.2021	14.02.2022	18.09.2021
1	Mr. Pawan Jain	√	√	√	√	√
2	Mr. Daulat Jain	√	√	√	√	√
3	Mr. Amit Jain	N.A.	N.A.	√	√	√
4	Mr. Sagar Jain	√	√	√	√	√
5	Ms .Suparna Sengupta	√	√	√	√	√
6	Ms Sonu Jain	√	√	√	√	√

Corporate Governance Report

During the Financial Year 2021-2022, the Board meeting of the Company held on 6th May, 2021 was held through Video Conferencing (VC) on account of prevailing 2nd wave of Covid-19 and lockdowns & social distancing norms. The Directors had given prior intimation to the Company Secretary of the Company for participation in the meetings through VC.

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 www.ashikagroup.com.

The said Independent Directors have also confirmed 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 SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have 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, the Independent Directors have included their names 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-2021-2022.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	Board Diversity	Regulatory Compliance, Legal and Stakeholders relationship	Financial expertise & Risk Oversight	Board service and governance	Business Experience
Pawan Jain	√	√	√	√	√
Daulat Jain	√	√	√	√	√
Amit Jain	√	√	√	√	√
Sagar Jain	√	√	√	√	√
Sonu Jain	√	√	√	√	√
Suparna Sengupta	√	-	√	√	-

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
Board Diversity	Representation of gender, ethnic, geographic, cultural, or other perspectives that expand the Board's understanding of the needs and viewpoints of our customers, partners, employees, governments, and other stakeholders throughout India
Regulatory Compliance, Legal and Stakeholders relationship	• 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	• 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
Business Experience	• 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 information or for 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 Act, RBI Regulations, and the Listing Regulations. The Minutes of the meetings of all these Committees are placed before the Board for noting. The Company Secretary acts as the Secretary of these Committees. The Board Committees play a crucial role in the governance structure of the Company. They are set up under the formal approval of the Board, to carry out the clearly defined role which is considered to be performed by members of the Board, as a part of good Corporate Governance practice. As mandated by the Listing Regulations, the Company has constituted an Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee.

Corporate Governance Report

(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 2022. 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:

- Matters required being included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub section 3 of section 134 of the Companies Act, 2013.
- Changes, if any, in accounting policies and practices and reasons for the same.
- Major accounting entries involving estimates based on the exercise of judgment by management.
- Significant adjustments made in the financial statements arising out of audit findings.
- Compliance with listing and other legal requirements relating to financial statements.
- Disclosure of any related party transactions.
- Modified opinion(s) in the draft audit report.
- 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 on 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;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management; 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 5 meetings of the Committee held during the year ended 31st March, 2022. These meetings were held on 6th May, 2021, 3rd August, 2021, 11th August, 2021, 1st November, 2021 and 14th February, 2022. Due to the ongoing 2nd wave of Covid-19 pandemic, the Audit Committee meeting on 6th May, 2021 was held through VC. 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 Company Secretary acts as the Secretary to the 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				
		06.05.2021	03.08.2021	11.08.2021	01.11.2021	14.02.2022
Mr. Sagar Jain	Chairman, Non-Executive Independent Director	Yes	Yes	Yes	Yes	Yes
Ms. Suparna Sengupta	Member, Non-Executive Independent Director	Yes	Yes	Yes	Yes	Yes
Ms. Sonu Jain	Member, Non-Executive Independent Director	Yes	Yes	Yes	Yes	Yes

(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 2022. 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 3 meetings of the Committee held during the year ended 31st March, 2022. These meetings were held on 5th May, 2021, 2nd August, 2021 and 7th February, 2022. 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		
		05.05.2021	02.08.2021	07.02.2022
Mr. Sagar Jain	Chairman, Non-Executive Independent Director	Yes	Yes	Yes
Ms. Suparna Sengupta	Member, Non-Executive Independent Director	Yes	Yes	Yes
Ms. Sonu Jain	Member, Non-Executive Independent Director	Yes	Yes	Yes

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

The Annual Performance Evaluation for the year 2021-2022 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. The Performance Evaluation was carried out by NRC committee, Independent Director Committee and Board in their respective meetings, for the FY 2021-2022.

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.

A gist of the process flow for Annual Performance Evaluation to be done by Board is summarised below:

- Independent Director Meeting
- Nomination & Remuneration committee
- Comments of both Independent Director meeting & NRC meeting be discussed in Board meeting along with other evaluation process to be carried out by Board

Evaluation Process /Flow

- Performance Evaluation of Committee.
- Self Evaluation of Board itself on basis of the feedback /review of directors and to discuss the performance of Board reviewed by Independent Director in their meeting.
- Performance Evaluation of all individual directors including Executive Director, MD, Chairman and discussion on the performance reviewed by Independent Directors in their separate meeting for Chairman/Executive Director .
- Entire board (excluding the director being evaluated) shall evaluate the performance of IDs. It is on the basis of such evaluation of the IDs that the term of appointment of the independent, whether to be extended or to continue the existing term, shall be determined.

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 7th February, 2022. Further, Independent Director has presented their report to the Board based on the evaluation conducted by them in their respective meeting held on 27th January 2022. 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 of NRC committee 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 27th January, 2022, 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.

Performance Evaluation of all directors has been carried out by NRC and discussed in their meeting held on 7th February, 2022. Further, Independent Directors have presented their report to the Board based on the evaluation conducted by them in their respective meeting held on 27th January 2022. 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 was discussed at the meeting of the Board held on 14th February 2022.

(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 2022. 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.

Corporate Governance Report

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 5th May, 2021 during the financial year 2021-2022. 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	Dates of Meeting & Attendance in meeting 05.05.2021
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	2021-2022
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

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 year 2021-2022, 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, 2022 and there were no requests for issue of duplicate certificates, etc., received from the shareholders of the Company for the Financial Year 2021-2022.

(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 on 31st March, 2022.

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 3 meetings of the Committee held on 5th May, 2021, 1st November, 2021 and 14th March, 2022 during the year ended 31st March, 2022. 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		
		05.05.2021	01.11.2021	14.03.2022
Ms. Sonu Jain	Chairperson, Non-Executive Independent Director	Yes	Yes	Yes
Mr. Daulat Jain	Member, Executive Director	Yes	Yes	Yes
Mr. Sagar Jain	Member, Non-Executive Independent Director	Yes	Yes	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, Finance Committee, Share Transfer Committee . These committee meets 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/ACCL-2022-03-Nomination-and-Remuneration-Policy-01.04.2019.pdf

None of the Non-Executive Directors have any pecuniary relationship or transactions with the Company and does 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

DISCLOSURES WITH RESPECT TO REMUNERATION:

The remuneration package for the Executive Directors is recommended by the Nomination & Remuneration

Corporate Governance Report

Committee and approved by the Board & Shareholders within the ceiling fixed. 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 package 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 F.Y. 2021-2022 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 2021-2022: (Amount in Rs)

Name	Salary p.a.	Sitting fees	Total	Number of shares held as on 31.03.2022
Mr Pawan Jain, Executive Chairman (WTD) @ Details of break-up of salary: Basic Salary – Rs 34,26,000/- pa, payable monthly HRA – Rs 17,13,000/- pa , payable monthly Special allowance – Rs 1,13,61,000/- pa, payable monthly	1,69,11,120	Nil	1,69,11,120	789000, as Karta of Pawan Jain HUF
Mr Daulat Jain, MD & CEO @ Details of break-up of salary: Basic Salary – Rs 47,400/- pa, payable monthly HRA – Rs 23,700/- pa , payable monthly Special allowance – Rs 23,213/- pa, payable monthly Bonus- Rs. 99,996/- per annum	12,50,000	Nil	12,50,000	450000
Mr. Sagar Jain	NA	1,40,000	1,40,000	Nil
Ms. Suparna Sengupta	NA	1,25,000	1,25,000	Nil
Ms. Sonu Jain	NA	1,40,000	1,40,000	Nil
Mr Amit Jain	NA	NA	NA	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. Further the above remuneration paid to executive directors herein includes perquisites (PF).

No benefits, other than the above, are given to the Directors. No Performance linked incentives and severance fees 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
18th September, 2021, Saturday	Meeting held through Video Conferencing at Registered office of the Company at Trinity, 7th Floor, 226/1, A.J.C. Bose Road, Kolkata 700020	11:30 A.M.	2 (Two)
5th September, 2020, Saturday	Meeting held through Video Conferencing at Registered office of the Company at Trinity, 7th Floor, 226/1, A.J.C. Bose Road, Kolkata 700020	11:30 A.M.	Nil
9th August, 2019, Friday	Bharatiya Bhasha Parishad, 4th Floor, 36A, Shakespeare Sarani, Theatre Road, Kolkata – 700017	11:00 A.M	5 (Five)

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
9th August, 2019	Yes (Five)	To revise remuneration of Mr. Pawan Jain (DIN: 00038076), Executive Chairman and Whole-Time Director of the company
		To re-appoint Mr. Pawan Jain (DIN: 00038076) AS Executive Chairman & Whole Time Director of the Company
		To re-appoint Mr. Daulat Jain (DIN: 00040088) as Managing Director & CEO of the Company
		To reappoint Mr. Sagar Jain (DIN: 00392422) AS Independent Director of the Company for a second term of 5 years, not liable to retire by rotation
		To approve continuation of payment of remuneration to Executive Directors who are promoters in excess of threshold limits as per SEBI (LODR) (Amendment) Regulations, 2018
5th September, 2020	NIL	-------
18th 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

b) No Extra-ordinary General Meeting of the shareholders was held during the financial year under review.

c) The Company had conducted Postal ballot for approving the Material Related Party transactions, in accordance with the relevant SEBI, MCA Circulars and in compliance with appropriate provisions of Companies Act, 2013 and SEBI Listing Regulations and had approved the resolutions, stated in the below table by requisite majority, by means of Postal Ballot through Electronic Voting (e-voting). The Postal Ballot Notice dated 14th February, 2022 was sent in electronic form to the members whose names appear in the Register of Members / Beneficial Owners as received from National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and available with Registrar & Share Transfer Agent as on 18th Day of February, 2022 and whose e-mail IDs are registered with the RTA / Depositories. The voting period commenced from 23rd February 2022 (9.00.A.M. IST) and ended on 24th March 2022 (5.00 P.M. IST). The resolutions were duly passed by the requisite majority on 24th March, 2022.

The Board appointed Mr. Mohan Ram Goenka (CP no 2551), Partner at M/s M.R. & Associates, Practicing Company Secretaries for conducting the postal ballot voting process in a fair and transparent manner.

Corporate Governance Report

In compliance with provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, the Company had provided to the members the facility to exercise their right to vote by electronic means through NSDL platform. The following resolutions were passed with requisite majority:

Date	Type of resolution passed	Particulars of Resolution	% of votes cast in favor of resolution
24th March, 2022	Ordinary Resolution	Approve the proposed material Related Party Transactions	99.99%

The results of Postal Ballot were uploaded on the Company's website www.ashikagroup.com and submitted to the exchanges where the shares of the Company are listed on a prompt basis.

Further, none of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

(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.

However, in view of the outbreak of COVID-19 pandemic and as per relevant MCA and SEBI Circulars, the Annual Report for FY 2020-2021 and Notice of 28th 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.

b) 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.

c) News press releases : During the financial year under review, there were no such news releases.

d) 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 29th 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 2021 to 31st March 2022

c) Date of book closure :

As mentioned in the notice calling the 29th AGM

d) Dividend payment date :

No Dividend has been recommended by Board of Directors for the FY 2021-2022

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, 4th Floor, Plot No. C 62, G Block, Opp Trident Hotel, Bandra Kurla Complex, Bandra (E), Mumbai- 400098	ASHIKA
3	BSE Limited (traded under permitted category)	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001	590122

f) **Listing Fees to Stock Exchanges**

The Annual Listing Fees for the Financial Year 2021-2022 have 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 2021-2022 at the exchanges were as under:-

Month	CSE		MSEI		BSE (traded under permitted category)	
	High	Low	High	Low	High	Low
April, 2021	-	-	-	-	41.20	33.00
May, 2021	-	-	-	-	55.00	38.25
June, 2021	-	-	-	-	51.70	38.50
July, 2021	-	-	-	-	56.00	45.00
August, 2021	-	-	-	-	52.00	39.80
September, 2021	-	-	-	-	48.00	36.75
October, 2021	-	-	-	-	40.50	35.00
November, 2021	-	-	-	-	40.65	34.00
December, 2021	-	-	-	-	44.50	35.00
January, 2022	-	-	-	-	43.35	37.50
February, 2022	-	-	-	-	46.50	35.25
March, 2022	-	-	-	-	39.80	34.00

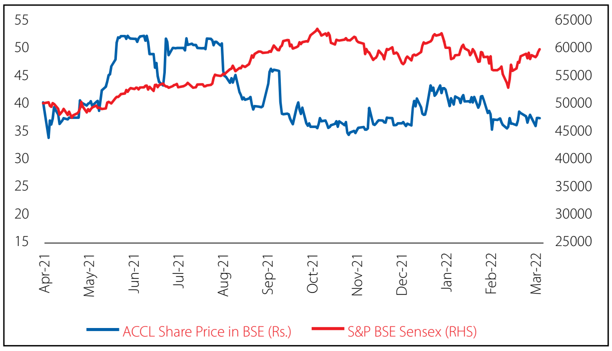
Note: During the financial year ended 31st March, 2022, there was no trading in the equity shares of the Company at CSE & MSEI. The Price of Equity shares as on 31st March 2022 with MSEI is Rs 38.75

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.

Maheswari 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

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 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. Further, SEBI has fixed 31st March, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode Shareholders holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into demat/electronic form to get inherent benefits of dematerialisation and also considering that physical transfer of equity shares/issuance of equity shares in physical form have been disallowed by SEBI.

Pursuant to SEBI circular dated 25th January 2022, securities of the Company shall be issued in dematerialized form only while processing service requests in relation to issue of duplicate securities certificate, renewal / exchange of securities certificate, endorsement, sub-division / splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition.

The Company obtains yearly certificate from M.R. & 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. There are no pending transfers of shares as on 31st March, 2022.

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

SEBI vide circular dated 3rd November 2021 has mandated 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) are not available with us, on or after 1st April 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 a letter to the shareholders holding shares in physical form in relation to the aforesaid on 28th December, 2021. 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.

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 2022, out of the total 1,18,80,000 equity shares, 11,764,743 equity 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 58,29,442 Equity Shares, representing 49.07% 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	462	4043497
CDSL	863	7721246
PHYSICAL	28	115257
TOTAL	1353	11880000

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 for seven consecutive years. 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

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	9th August, 2019	Re. 1 per share/-	13th September, 2019	12th September, 2026

q) Category-wise shareholding pattern as on 31st March, 2022

Sl No	Category	No. of shares	% holding
1	Promoter & promoter Group	5829442	49.0694
2	Institution– Foreign Portfolio Investors- Public	994724	8.3731
3	Non-Institution- Body Corporate- Public	3036543	25.5601
4	Non-Institution- Individual- Public	1729136	14.5550
5	Clearing member	238	0.0020
6	Non Resident Individual	394	0.0033
7	Resident Individual	289523	2.4371
	Total	11880000	100

Corporate Governance Report

r) Distribution of Shareholding as on 31st March, 2022

Slab of shareholding	Number of Shareholders	Number of Shares	% to total no of shares
Upto 500 shares	1039	61596	0.5185
501-1000 shares	43	34659	0.2917
1001-2000 shares	43	72166	0.6075
2001-3000 shares	11	30756	0.2589
3001-4000 shares	8	28938	0.2436
4001-5000 shares	10	46938	0.3951
5001-10000 shares	25	209227	1.7612
Above 10000 shares	65	11395720	95.9236
Total	1244	11880000	100.0000

s) Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity :

NA, as on 31st March, 2022

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 transactions entered into with related parties as defined under the Act, and Regulation 23 of the Listing Regulations, each as amended, during the year under review were on an arm's length price basis and in the ordinary course of business. These have been prior approved by the Audit Committee.

Pursuant to SEBI (LODR) (Sixth Amendment) Regulations, 2021, and as per the provisions of Regulation 23 of the Listing Regulations, concepts such as revision in threshold for 'materiality', concept of material modifications etc, have been introduced and the same is effective from 1st April, 2022. Further, the Company has passed a Postal Ballot dated 24th March, 2022 seeking prior approval of Shareholders of the Company for approving the transactions which may qualify as material related party transactions, for the Financial Year 2022-2023, and thereafter, and further may also qualify as material on subsequent modifications as defined by Audit committee. Pursuant to the afore-mentioned amendments, and the new regulations in the Listing Regulations, the existing Policy on Related Party has been amended in line with the new amendments. The Board has approved the said Policy at its' meeting held on 14th February, 2022 and 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

Further for the FY 2021-2022, the existing Related party Transaction Policy was duly complied. During the Financial Year 2021-2022, the Company did not have any material pecuniary relationship or transactions with Non-Executive Directors apart from paying sitting fees to Director's. Further, the Directors have not entered into any contracts with the Company, which will be in material conflict with the interest of the Company.

Transactions with related parties are disclosed in the Annual Financial Statements of the Company for the Financial Year ended 31st March, 2022.

(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) Establishment of Vigil Mechanism, Whistle Blower Policy, and affirmation :

The Company has adopted a Whistle Blower Policy to provide vigil mechanism for Directors/ Employees to voice their concerns in a responsible and effective manner regarding unethical behavior, actual or suspected fraud or violation of the Company's code of conduct and Insider Trading Regulations. It also provides adequate safeguards against victimization of Directors/Employees who avail the mechanism. The Company affirms that during FY 2021-2022, no personnel have been denied access to the Audit Committee. The Whistle Blower Policy is available on the website of the Company at https://ashikagroup.com/pdf/policies/ACCL-2022-03-Vigil-Mechanism-Policy.pdf

(d) Determining 'Material Subsidiaries':

As on financial year ended 31st March, 2022, the Company does not have any material listed/ unlisted subsidiary Company as defined in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; therefore Board of Directors has not formed any such policy on Material Subsidiaries.

(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, 2022

(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 F.Y. 2021-2022, 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 2021-2022, the Company has paid the following amounts on a consolidated basis to the statutory auditors of the Company, namely, M/s. Haribhakti & Co., LLP for all services rendered by them. Further they tendered their resignation w.e.f 14.08.2021 and further DMKH & CO, Chartered Accountant were appointed as Statutory Auditor of the company to fill casual vacancy and thereafter continue as Statutory Auditor of the company for the FY 2021-2022.

Amount (₹ in lacs)

Sl No	Particulars	Haribhakti & Co LLP	DMKH & Co
1	As Auditor - Statutory Audit and Limited Reviews	1.18	7.08
2	For Other Services (Certification, etc.)	1.48	-
3	Tax Audit	1.77	1.77
4	Out of Pocket expenses	0.37	0.04

Further, the company has not availed any services during the Financial Year 2021-2022 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 2021-2022 along with their status of redressal as on financial year ended 31st March, 2022 are as under:

Corporate Governance Report

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 RPT were prior approved by Audit committee, Board and Shareholders, as required. The loan and advances paid 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 in Note No 37 to the Financial Statements pertaining to AS-14 Disclosure of Related Party transactions

(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 of the Company's Financial Statements for the year ended 31st March, 2022 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 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 year ended 31st March 2022.

(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 Sensitive 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/ACCL-2022-03-Code-of-Conduct-for-Regulating-Monitoring-and-Reporting-of-Trading-by-Insiders.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
For **Ashika Credit Capital Limited**

	(PAWAN JAIN)	**(DAULAT JAIN)**
Place: Kolkata	*Chairman*	*Managing Director & CEO*
Date: May 26, 2022	DIN: 00038076	DIN: 00040088

PRACTICING COMPANY SECRETARY'S CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OFCORPORATE 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, 2022, as stipulated in the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulations') as amended.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and based on the representation made by the directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, 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]
Partner
ACS No.:A34458
C P No.:14929
UDIN :A034458D000385292

Place : Kolkata
Date: May 26, 2022

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 March 31, 2022, 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

CEO & CFO CERTIFICATION

COMPLAINCE CERTFICATE

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

10.05.2022

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)	**(Gaurav Jain)**
Managing Director & CEO	*Chief Financial Officer*

MR & Associates
Company Secretaries
46, B. B. Ganguly Street, KOLKATA-700012
MOBILE NO: 9831074332
Email: goenkamohan@gmail.com

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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 AJ.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 Directors 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, 2022 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	Category	DIN	Date of Appointment in Company
1	Mr. Pawan Jain	00038076	08/03/1994
2	Mr. Daulat Jain	00040088	14/01/2016
3	Mr. Sagar Jain	00392422	29/06/2001
4	Ms. Suparna Sengupta	07689952	14/02/2018
5	Ms. Sonu Jain	07267279	01/04/2019
6	Mr. Amit Jain	00040222	04/08/2021

Ensuring the eligibility 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 **M R & 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: A034458D000334857

Place: Kolkata
Date: May 17, 2022

Management Discussion and Analysis

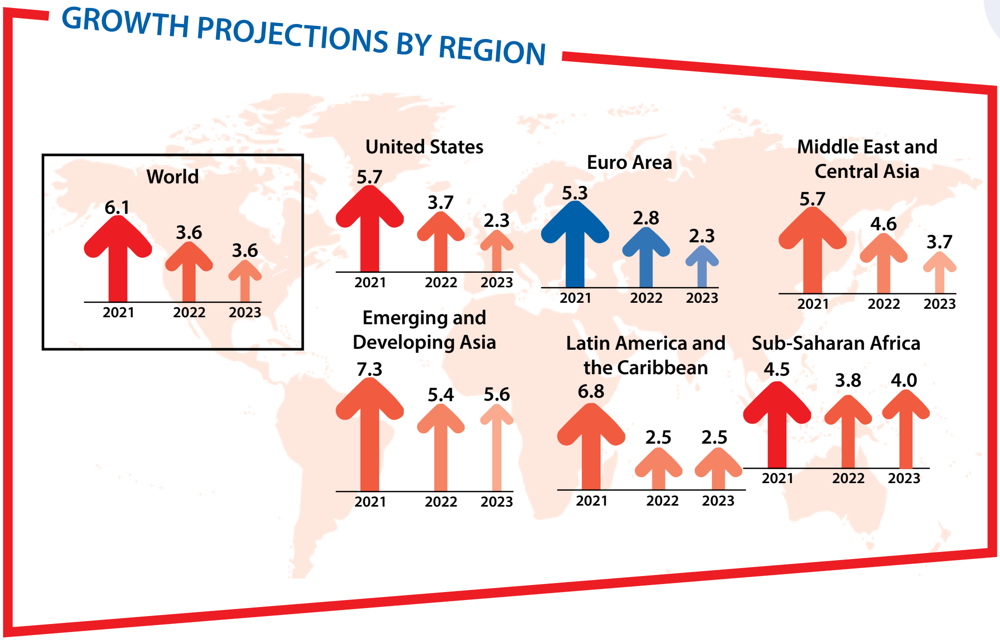
ECONOMIC SCENARIO

Global economy is on the crossroad, as a fight between containing inflation and supporting fragile growth is taking centre stage. Unlimited money printing along with ultra-loose monetary policy adopted during COVID time by the western economy has come back to haunt them in the form of high inflation in 40-45 years. This has resulted in a huge swing in the response from the major central banks across the world and also challenging many earlier well-established ways to address these issues. Further, event on geo-political theatre is further complicating the matter post the start of Russia-Ukraine war which could damage only crude has engulfed wheat and other agri-commodities. Further, its seems that the US is adamant on opening another front by instigating China by making a statement that it will defend Taiwan in case of any Chinese aggression.

Europe is fighting with its own troubles, not able to decide which way to head. Germany and Italy are facing the gas woes post the war and post Brexit Britain is trying to emerge on its own. It is still grappling with high inflation, which is expected to remain beyond control.

On the backdrop of the above scenario, global growth is projected to slow to 3.6% in 2022 vs. 6.1% in 2021. Over the medium-term, global growth is expected to slow to 3.3% after 2023. Inflation for 2022 is seen at 5.7% for advanced economies and 8.7% for the emerging/developing economies. Multilateral measures are critical in responding to humanitarian crisis, preventing further economic fragmentation, maintaining global liquidity, managing financial distress, combating climate change, and ending the pandemic. (Source: IMF)

Management Discussion and Report



Outlook

Growth for all key economies is holding up well, close to their pre-COVID levels and unemployment is at the record lows. Whilst the central banks have started raising rates, they are unlikely to take the rates to levels that could impede growth. Therefore, unless we see a paradigm shift in geo-political dynamics closer to the embargoes of the 70's, the probability of stagflation appears to be fairly low. The Fed would prefer to get through the current phase with a moderately strong economy and save it from slipping into recession. A very aggressive rate hike could lead to a hard-landing (read: recession), which would eventually need fiscal and monetary support all over again.

However, unrelenting global inflationary pressure continues to intensify, with increasingly adverse implications on growth outlook. Recent COVID-19-related lockdowns in China put further pressure on global manufacturing supply-chain. Energy and food supply disruptions due to Russia-Ukraine war are having a swifter-than-expected impact on European inflation. Inflationary pressures are also building up in the services sector, particularly in the US and UK, where tight labour markets are boosting nominal wage growth. World GDP is expected to be 4.3% in 2022 and 3.3% in 2023. While the developed economies are expected to grow by 4% in 2022 and 2% in 2023, the emerging markets are expected grow by 4.6% in 2022 and 4.3% in 2023. (Source: Nomura)

Beyond the immediate challenges of the war and the pandemic, the policymakers are expected to keep a hawk-eye on the long-term goals. Notably, pandemic-led disruptions have highlighted the productivity of novel ways of working.

- The governments are expected to harness positive structural change wherever possible thereby embracing the digital transformation and retooling/reskilling the workers to meet the challenges.
- Carbon pricing and fossil fuel subsidy reform can also help with the transition to a cleaner energy, less exposed to fossil fuel prices. The green energy transition will also entail labour market reallocation across occupations and sectors.
- On climate change, the advanced economies are expected to progress towards COP26 climate summit pledges. The emerging and developing economies are also expected to take measures to reduce emissions.
- The governments are expected to use all tools to combat the re-emergence of coronavirus, both by meeting vaccination targets and by ensuring equitable access of the same to poor nations thereby ensuring the return to normalcy levels of both life and businesses.

INDIAN ECONOMIC REVIEW

In the time of global turmoil, Indian economy is relatively better-placed than its peer on both growth and inflation front. India's GDP is expected to grow by 7.7% in FY23 making the country one of the fastest-growing major economies in the world. GDP growth is expected to come from sustainable segments like manufacturing, construction and capital formation. GST collection, auto sales number, direct tax collection and continued pick-up in capex indicate continued buoyancy on economic front. Meanwhile, the IMD has also upwardly revised its forecast of the southwest monsoon to 103% from 99% of LPA.

Wholesale and retail inflation continue to surge on the back of imported inflation and rising pump prices. However, a dual action plan seemed to be carried out to rein in inflation in India i.e., aggressive rate hike by the RBI and reduction of excise duty on petroleum products. Further, India is relatively insulated from global food price inflation, as it is more of self-reliant on this front. The government has also banned wheat and sugar exports to tackle rising domestic prices. Further, expectation of good monsoon is expected to tame the food price inflation in the coming months.

India's trade deficit touched record high on the back of continued higher imports. Though this has been adding pressure on the INR for a while, net FDI inflows and the RBI's intervention have kept the Indian currency much less volatile and range-bound.

Further, the government's PLI scheme seems to be taking off and expected to add 0.3% to annual GDP in the coming years. The budget boosted our conviction on the Indian growth story with the manufacturing and industrials/ infrastructure segments as a growth driver apart from the financials. Supply-side push of the government is likely to bring about steady and sustainable growth for India.

India was also able to tame the damage of COVID-19 third wave compared to its neighbour China. Strong credit growth, huge increase in investment intentions announced by the corporate sector and a high budgetary allocation for capital spending by the government indicate that the investment cycle is strengthening.

According to the provisional estimates released by the National Statistical Office (NSO), India's real gross domestic product (GDP) growth in 2021-22 was 8.7 per cent. This works out to 1.5 per cent above the pre-pandemic level (2019-20). The RBI projects real GDP growth at 7.2% for 2022-23 driven by recovery in economic activities and improvement in both rural and urban consumption.

	F.Y. 2021	F.Y. 2022	F.Y. 2023 (E)
GDP	–6.60%	8.70%	7.20%
CPI Inflation	6.20%	5.50%	7.70%

(Ministry of Statistics and Programme Implementation, RBI)

Outlook

India stands in a much better place than it has been in the past. Its growth is in recovery mode and as the pandemic-led stringencies ease, we expect a continued recovery that would be driven by urban consumption/services. Thus, we expect medium-term domestic macro drivers to remain conducive for healthy growth.

With overall capacity utilisation just shy of 75%, we see a pick-up in capex over the next few quarters. In addition, India's retail inflation has limited exposure to global food prices. While employment is back to pre-COVID levels in India, it is yet to become broad-based. On rates, while the RBI prioritises inflation, it would certainly not be at the cost of growth. While rate rises would be frontloaded and calibrated, the pace would not be as aggressive as the Fed's current trajectory.

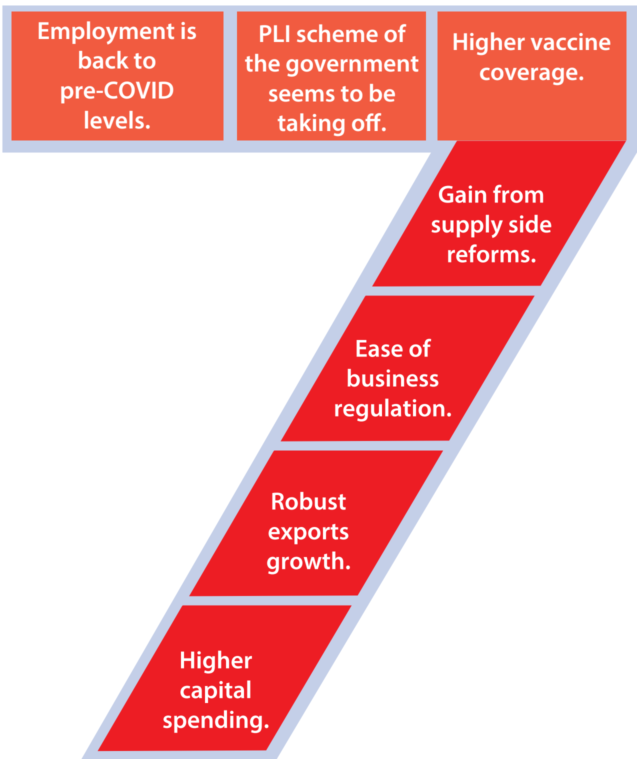
With the visibility on economic variables, which we witness today, it is reasonable to expect another 25-50bps of rate hikes over the next two MPC meetings, taking the repo rate to 5.15-5.45%.

On the whole, synchronous global stimulus measures, higher vaccination coverage, restart of the trade engine and contained commodities prices are the key global events, which we believe would be a positive for India in the year ahead.

Although private consumption is still trailing behind pre-pandemic levels, factors such as opening up of mobility, growing consumer confidence and high-capacity industrial utilization suggest economic recovery. Higher capital expenditure by the government and investments in infrastructure and manufacturing sector are expected to reduce the unemployment rate and further consumption.

Although the Indian economy is anticipated to maintain its strong growth trajectory, recent geo-political developments have harmed the domestic stock indices and caused volatility in crude oil prices and currency exchange. Given India's reliance on imported crude oil, natural gas and other commodities, a rise in inflation and widening current account deficit should be closely monitored, especially in light of the country's changing geo-political environment. Uncertainty over the fourth COVID wave and virus mutations also represents a huge risk to India's economic growth. Other issues such as semi-conductor shortage and high commodity prices also pose challenges to the growth of industrial sector.

Factors to Support Growth in 2022-23:



Management Discussion and Report

INDUSTRY REVIEW - NBFC SEGMENT IN INDIA

Non-Banking Financial Companies (NBFCs) in India have been meaningfully contributing to the economy over the past few years. The NBFCs are increasing their presence, as the lending capacity of the public sector banks (PSBs) is declining especially in rural areas due to heavy debt. The main reasons for the success of NBFCs are: (1) lower cost; (2) wider reach; and (3) strong risk management capabilities with a better understanding of customers' need. Credit demand of our country can be fulfilled with the help of NBFCs where the traditional banks have not been able to penetrate. In India, ensuring financial access to fuel growth and entrepreneurship is not an easy task. However, with the help of government initiatives there has been a substantial increase in the number of bank accounts in all over the country. It will provide an opportunity to the NBFCs to increase market share to ensure sustainable growth over a period of time.

The pandemic has tested the resilience of NBFCs. They are expected to remain buoyant due to revival in the economy and increased pace of vaccination coverage. This sector has emerged stronger with reasonable balance sheet growth, increased credit intermediation, higher capital and lower delinquency ratio and enlarged liquidity cushions. The NBFCs, on the other hand, surpassed their pre-COVID-19 levels of disbursements in 4QFY21 on the back of the government's support and focus, as well as the RBI's various liquidity measures such as repo rate cuts, Targeted Long-term Repo Operations, Special Liquidity Scheme and Partial Credit Guarantee Scheme. 57 NBFCs, each having a loan book of >Rs50bn, accounted for 90.1% of total credit disbursal. Overall credit outstanding of the NBFCs, which stood at Rs23.75 trillion in FY21, is predicted to expand by 6% to 7% in FY22 (Source: Crisil). Smaller NBFCs with asset size of <Rs5bn, accounted for only 0.9% of total NBFC credit outstanding (Source: Business Today).

NBFC sector's loan growth in FY23 is expected to be 14% YoY (excluding government NBFCs). NBFCs' stage 3 assets could increase to 6% by FY23 from 5.6% in 3QFY22, primarily due to slippages from restructured and ECLGS-supported book. However, the credit cost impact is likely to be moderate, as the NBFCs have created adequate provisioning buffers (Source: Indiainfoline and Ind-Ra Research).

In October 2021 and December 2021, the RBI introduced the Scale Based Regulation (SBR) and Prompt Corrective Action (PCA) framework for the NBFCs, which would come into force from October 1, 2022 that include:

a)	All non-deposit taking NBFCs with asset size of Rs50bn and above and all deposit taking NBFCs irrespective of their asset size, shall maintain a liquidity buffer in terms of LCR. This measure ensures that in the event of liquidity crisis, the NBFCs will be in a position to meet their short-term financial obligations. The moot point of introducing LCR appears to keep a check on asset liability mismatch.
b)	Earlier classification of NBFCs into deposit taking and non-deposit taking has now been replaced with (a) NBFC Base Layer (NBFC-BL); (b) NBFC Middle Layer (NBFC – ML); and (c) NBFC Upper Layer (NBFC- UL). There is also an NBFC Top Layer (NBFC- TL), which is expected to remain empty until the RBI feels it necessary to move NBFCs from the NBFC-UL. The intention behind this four-tier classification is to ensure that the NBFCs not taking public funds will remain in the base layer since that warrants a lesser degree of scrutiny. All deposit-taking NBFCs and non-deposit-taking NBFCs with an asset size exceeding Rs10bn have been placed in the middle layer to ensure more focus on those entities, which are more likely to fail and on whose failure, there would be a significant impact on the functioning of financial institutions. The upper layer is intended to be populated with those entities, which in the opinion of the RBI require intense scrutiny.
c)	The RBI has introduced PCA for NBFCs. PCA will enable supervisory intervention at appropriate time and require the supervised entity to initiate and implement remedial measures in timely manner to restore its financial health. PCA for NBFCs is based on the financial position of NBFCs on or after March 31, 2022. It will be applicable to all deposit-taking NBFCs excluding government NBFCs, primary dealers and housing finance companies and other non-deposit-taking NBFCs in the middle, upper and top layers.

(Source: Mondaq)

In October 2021, the RBI released circulars for clarification on master circular on prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to advances (IRCAP). Thereafter, the clarifications were issued by the RBI on the same, vide circular dated November 12, 2021 and February 15, 2022 which include:

1)	NPA classification in case of interest repayments, increasing consumer awareness among the borrowers to be complied by March 31, 2022.
2)	Paragraph 10 of circular stipulates that loan accounts classified as NPAs may be upgraded as 'standard' asset only if the entire arrears of interest and principal are paid by the borrower. NBFCs shall have time till September 30, 2022 to put in place the necessary systems to implement this provision.

Management Discussion and Report

The RBI released circular on March 14, 2022 in which it removed caps on pricing of small loans given by NBFC-MFIs, bringing them to the same level as other such lenders, including banks. With this, the underwriting of loans will be done on a risk-based analysis and a risk premium will be charged.

OPPORTUNITIES AND THREATS

Over the years, the NBFC sector has evolved in terms of its size and assumes an important role in the process, as it is a valuable source of financing for many firms, micro and small units as well as individuals/small business owners and facilitating competition amongst the credit providers. Further, niche NFBCs fulfil the unmet and exclusive credit needs of various segments such as infrastructure, factoring/leasing, operations and technological sophistication. The NBFC sector has also grown significantly and more interconnected with the financial system.

Opportunities

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

Underserved & MSME Opportunity:

According to the MSME Ministry, India has >60mn entities under the MSME category, which contribute ~29% to the country's GDP. They are an important part of the rural economy with ~30mn MSMEs (51% of all MSMEs). Given the sector's overall economic importance, they need simple access to capital for growth. The government has helped the MSME sector by providing collateral-free loans with credit guarantees, subordinate loans for stressed MSMEs and equity injections. However, there is still a credit deficit, and the NBFCs are likely to play a key role in addressing the issue.

Working Capital Financing:

Financing would be critical to India's transformation into a $5 trillion economy. Working capital financing was in high demand in FY21, as a buffer against the shocks of COVID-19-induced lockdown. This demand would fuel future economic growth following the economic recovery. Expected expansion and development across sectors will increase the demand for working capital. The NBFCs are prepared to fulfil expanding demand and catapult the country to attain economic superpower status.

Leveraging Technology for Improved Efficiency & Enhanced Experience:

The use of technology is helping the NBFCs to customize credit assessment models and optimize business processes to reduce the time to market and improve customer experience. The NBFCs are investing in data analytics and AI to build robust relationship with their target customers. With the rising internet penetration across the country, digital financial payments are ready to push digital lending to the next orbit of growth.

Challenges/Threats

The RBI red-flagged the NBFCs, as it observed that balance sheets of the shadow banks expanded even as their asset quality deteriorated. The balance sheet of NBFCs expanded in 2021-22 but the sectoral asset quality witnessed deterioration, although capital cushions showed an improvement. Whilst contribution of NBFCs towards supporting real economic activity and acting as supplemental channel of credit intermediation alongside the banks is well-recognised, higher risk appetite of the NBFCs has contributed to their size, complexity and inter-connectedness, thereby posing potential threat to financial stability of the country.

Thus NBFCs need to be mindful of frailty and ensure robust asset-liability management apart from improving the quality of their credit portfolios. The central bank also introduced scale-based regulatory framework for the sector, wherein larger NBFCs will be subject to tighter regulations, given their systemic importance.

The current geo-political scenario can also alter the status of domestic NBFC sector. The Russia-Ukraine war and associated sanctions/disruptions are leading to a stressful macro situation for NBFCs in India. Inflation, which is already high, is likely to spurt due to supply chain issues across sectors and high energy prices. The RBI may be forced to raise rates to defend the INR, especially if the US Fed proceeds to hike policy rates and lighten its balance sheet. This could mean a downgrade in earnings expectations and market valuations of domestic NBFCs.

1) Unpredicted changes in regulatory norms
2) Inflation
3) Liquidity crunch
4) Long-term impact of COVID-19
5) Economic slowdown

Management Discussion and Report

NBFC SEGMENT – OUTLOOK

The pandemic has tested the resilience of NBFCs, as the sector has emerged stronger with reasonable balance sheet growth, increased credit intermediation, higher capital with lower delinquency ratio and enlarged liquidity cushions. The financial system is maturing from a bank-dominated space to a hybrid system, wherein the non-banking intermediaries are gaining prominence.

Various policies in the aftermath of the pandemic ensured liquidity support and eased financial conditions and gave the NBFCs adequate time and wherewithal to withstand the shock and leverage on their grass-root level reach to channelize credit and revive growth. NBFCs have started adopting strong credit risk assessment framework to ensure improved credit quality. The RBI introduced scale-based regulation to enhance regulatory oversight over the sector. To further strengthen the supervisory tools applicable to NBFCs, it issued a prompt corrective action framework for NBFCs effective October 2022. Recent amendment of the Factoring Regulation Act can incentivise all NBFCs to boost the MSME sector (Source: Business Today).

NBFCs have used the pandemic to reinvent their business models, realising the power of data analytics and Big Data in business applications. However, they need to be better equipped and focused on cyber fraud prevention. Going forward, given the growing population and under-penetration, the NBFCs have a bigger role to play in the financial inclusion trajectory of the country.

BUSINESS AND FINANCIAL OVERVIEW

Incorporated 28 years ago, Ashika Credit Capital Limited is a name synonym in the domestic NBFC segment. Its business encompasses providing loans/advances, inter-corporate deposit and investment in securities. The company has extended its strong focus on investment in securities through capital markets.

The company's financial statements were prepared in accordance with Indian Accounting Standards (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.

Financial Highlights – FY22

Operational income increased by 3.74% from ₹ 652.12 lakh to ₹ 676.54 lakh

Other income increased by 47.13% from ₹ 31.89 lakh to ₹ 46.92 lakh

Net-worth increased by 7.36% from ₹ 4,793.02 lakh to ₹ 5,145.68 lakh

PAT increased by 114.49% from ₹ 163.49 lakh to ₹ 350.67 lakh owing to reversal of provisioning on account of recovery of NPAs.

Employee expenses increased by 222.91% from ₹ 83.37 lakh to ₹ 269.21 lakh

Its brief financial performance for FY22 is given below:

(₹ Lakh)

Particulars	Y/E March 31, 2022	Y/E March 31, 2021
Revenue from Operations	623.29	652.12
PBDIT	553.30	437.16
Interest and Financial Charges	8.49	-
Cash Profit	544.81	247.83
Tax Expenses	193.59	83.85
Net Profit	350.67	163.49

Details of significant changes (i.e. change of 25% or more as compared to immediately previous financial year) in key financial ratios, along with detailed explanations thereof

Ratios	2021-22	2020-21	% Change	Reason (if more than 25% change)
Debtors Turnover	NA	NA		
Inventory Turnover	NA	NA		
Interest Coverage Ratio	65.11	-	100	No interest expense in previous year
Current Ratio	5.72	51.02	(88.79)	Fresh short-term borrowing availed in current year
Debt Equity Ratio	0.19	-	100	No debt in previous year
Operating Profit Margin (%)	81.70	37.93	115.40	Increase in profit due to reversal of provision for expected credit loss
Net Profit Margin (%)	51.83	25.07	106.74	
Return on Net Worth (%)	7.32	3.53	107.37	

Management Discussion and Report

RISK MANAGEMENT

At Ashika, the risk is managed through an efficient risk management architecture as well as through policies and processes as approved by the Board of Directors and the management, encompassing independent identification, measurement and management of risk across various businesses. We have formulated comprehensive risk management policies and processes to identify, evaluate and manage the risks that are encountered during conduct of business in an effective manner. A team of experienced and competent professionals identify and monitor these risks on an ongoing basis and evolve processes/systems to monitor and control the same to keep the risks at minimum levels. Continuous monitoring by our officials helps in identifying and mitigating the risks at an early stage.

Credit Risk	Credit risk is the most basic risk of lending business i.e., the risk of non-payment whether due to inability or lack of intent to repay. There is an additional risk of recovery of unpaid dues, either from the co-borrower or from the collateral. **Ashika's Response:** • Better client selection and stringent assessment of cash flows. • Collateral-backed lending (of asset being created) and conservative loan to value ratio. • Reduction in portfolio risk by diversifying business verticals. • The company has a finance committee comprising of directors to consider large credit proposal, while small proposals are approved at appropriate level.
Operational Risk	Delivering loans and collecting repayments is the key to protect margin. Ashika 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 - these could impair the ability to proceed against the borrowers if the loan repayments are missed / overdue. **Ashika's Response:** • Proper legal documentation and KYC norms are in place. • Clear defined risk parameters and checks. • Centralised and safe storage of documents. • Recording of transaction in online software for immediate retrieval of information / reports. • Tracking system and follow reports are in place. • Carrying out extensive credit appraisal. • Conducting periodic reviews.
Liquidity Risk	Being in the business of borrowing and lending, the company is prone to the risk of liquidity mismatches i.e. delayed inflow of collections of lent money or inability to refinance borrowed money when due. This could lead to potential defaults even if the business is profitable and the company is solvent. **Ashika's Response:** • Effective governance framework. • Longstanding relationship with leading banks/financial institutions. • Access to credit at competitive rates. • Ensuring short-term and long-term fund resources are favourably matched with deployment. • Timely review of portfolio quality/risk, and reporting to senior management.
Regulatory Risk	The risk arises out of a change in laws and regulation governing our businesses. It could also arise on account of inadequate addressal of regulatory requirements or differences in interpretation of regulations. **Ashika's Response:** • Adequate capitalisation. • Zero tolerance to regulatory issues and timely addressal with involvement of senior management. • Close tracking of regulatory development through regular connect with the RBI and other relevant agencies. • Experienced professionals reporting to company secretary, who also heads compliance and legal section. This takes care of compliance with applicable laws, rules, regulations and guidelines affecting businesses.

Management Discussion and Report

Reputation Risk	Reputation Risk is the current or prospective risk to business, earnings and capital arising from adverse perception of the organisation on the part of customers, counterparties, shareholders, investors or regulators. It is a very high risk and can cause long-term and sometime irreparable loss to business/ revenue. Ashika's Response: • Business is conducted with due diligence keeping in mind the stakeholders and their needs. • Adequate training to employees to conduct their activities with utmost care and diligence keeping in mind the reputation and status enjoyed by the company. • Monitoring and timely resolving customer grievances.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Pursuant to the provisions of the Companies Act, 2013, every listed company has to lay down internal financial controls and ensure that they are adequate and operating effectively. Internal financial controls are the policies/procedures adopted by the company to ensure the following:

- Orderly and efficient conduct of business.
- Adherence to company's policies.
- Safeguarding its assets.
- Prevention and detection of frauds and errors.
- Accuracy and completeness of accounting records and timely preparation of reliable financial information.
- Preparation of annual budget and its monitoring.
- Well-documented authorization matrix, policies, procedures and guidelines covering all important operations of the company.

The company has adequate and suitable internal control systems that are continuously monitored and updated to ensure that its assets are safeguarded. These systems also ensure that established regulations are complied with and pending issues are addressed promptly. Adequacy of internal control systems are audited by internal auditors and the reports are reviewed by the audit committee on quarter basis.

DMKH & Co., the statutory auditors of the company, has audited the financial statements included in this annual report and have issued an attestation report on our internal control over financial reporting (as defined in section 143 of Companies Act 2013). The company has appointed M/s Shyamsukha Amit & Associates, Chartered Accountant to oversee and carry out internal audit of activities of the company. In line with company's business and presence, the conduct of internal audit is oriented towards the review of internal controls and risks.

Based on the report of internal audit, the committee makes note of observations and undertakes corrective actions, if necessary. It maintains a constant dialogue with statutory and internal auditors to ensure that internal control systems are operating effectively.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS

The company is committed to help its people to gain varied experiences, accomplish challenging assignments, learn continuously and build their career. Our endeavour has been to create home-grown leaders who focus on its customer's needs aligned to its core values and operate with an ethical governance mind-set.

Integral to the company's approach to human resource development is its focus on developing and nurturing distributed leadership so that each business of the company is managed by competent, passionate and inspiring leaders, who are capable of building a future-ready organization through continuous learning, innovation and execution. The key aspects of our HR practice include recruitment, training and development and compensation.

INFORMATION TECHNOLOGY AND SYSTEMS

The company's constant drive for growth leads to strengthening of its information technology too. All the systems of the company are connected by integrated tailor-made software. It also has a well-developed MIS and accounting system and database to manage the information related to the borrowers.

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 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 Auditors' 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, 2022, 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, 2022, 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 that the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matters	How the matter was addressed in our audit:
1.	Impairment loss allowance of loans 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 and to additionally determine the potential impact of unprecedented COVID-19 pandemic on asset quality and provision of the Company.	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. 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. For loans which are assessed for impairment on a portfolio basis, we performed particularly the following procedures: - 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;

Independent Auditors' Report

Sr. No.	Key Audit Matters	How the matter was addressed in our audit:
	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.	- 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/ NPAs in accordance with RBI circulars including those issued specifically for covid-19 related matters.

Emphasis of Matter

We draw attention to Note No. 49 to the Statement, which explains that the extent to which COVID-19 pandemic will impact the Company's operations and financial results is dependent on future developments, which are uncertain at this point of time. Also, the Company expects that all the assets are recoverable.

Our opinion is not modified in respect of this matter.

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.

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 identified above 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.

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

Independent Auditors' Report

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.

Other Matter

a) The audit of Ind AS financial statements for the year ended March 31, 2021, was carried out and reported by Haribhakti & Co. LLP, vide their unmodified audit report dated May 06, 2021, whose report has been furnished to us by the management and which has been relied upon by us for the purpose of our audit of the Ind AS financial statements.

Our opinion is not modified in respect of this matter.

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;

Independent Auditors' Report

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, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 excess of the limits laid down under section 197 of the Act. However the Company has obtained necessary approvals from the shareholders of the Company by way of Special Resolution.

h. 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;

   (iv) (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;

   (iv) (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.

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

Manish Kankani
Partner
Membership No. 158020
UDIN: 22158020AJQRVW4380

Place: Kolkata
Date: May 26, 2022

Annexure 1 to the Independent Auditors' 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, 2022]

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, 2022 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, 2022, 3 instances aggregating to Rs. 81,88,567 outstanding in respect of the loans and advances in the nature of loans are irregular. (includes principal and interest overdue).

(d) As stated in clause (iii)(c) above, its difficult and impracticable to identify all the instances of the aforesaid loans and advances in the nature of loans which is overdue for more than ninety days during the year. Hence, the status as at March 31, 2022 has been reported below:

Annexure 1 to the Independent Auditors' Report

No. of Cases	Principal Amount Overdue	Interest Overdue	Total Overdue	Remarks
2	Rs. 65,69,257	Rs. 4,90,739	Rs. 70,59,996	Reasonable steps have been taken by the Company for recovery of the principal and interest as follows: 1. The company has sent regular reminder notices over mail to ensure faster recovery. 2. A separate team has been engaged to ensure the collections from the overdue loan assets.

(f) 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 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 has prima facie utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.

(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, 2022, 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, 2022, 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.

Annexure 1 to the Independent Auditors' Report

(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 From 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 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 resignation of the statutory auditors during the year, however, no issues, objections or concerns were raised by the outgoing auditors.

(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: 22158020AJQRVW4380

Place: Kolkata
Date: May 26, 2022

Annexure 2 to the Independent Auditors' 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, 2022.]

Report on the Internal Financial Controls with reference to 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 financial statements of the Company as of March 31, 2022 in conjunction with our audit of the Ind AS 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 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 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 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 financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to 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 Auditors' Report

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to 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: 22158020AJQRVW4380

Place: Kolkata
Date: May 26, 2022

Balance Sheet as at 31st March, 2022

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
ASSETS			
(1) Financial Assets			
(a) Cash and Cash Equivalents	2	23.76	234.26
(b) Bank Balance other than above	3	19.73	19.73
(c) Receivables	4		
(i) Trade receivables		-	-
(ii) Other receivables		14.07	-
(d) Loans	5	1,651.28	4,240.11
(e) Investments	6	4,348.38	0.01
(f) Other Financial Assets	7	1.93	1.93
(2) Non-Financial Assets			
(a) Current Tax Assets (net)	8	58.41	146.35
(b) Deferred Tax Assets (net)	9	47.24	192.05
(c) Investment Property	10	12.31	12.56
(d) Property, Plant and Equipment	11	4.58	4.88
(e) Other Non-Financial Assets	12	51.18	11.30
TOTAL ASSETS		**6,232.87**	**4,863.18**
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) Derivative financial instruments	13	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	977.08	-
(d) Other Financial Liabilities	16	56.50	42.45
(2) Non-Financial Liabilities			
(a) Current Tax Liabilities (net)	17	16.19	-
(b) Provisions	18	28.17	26.34
(c) Other Non-Financial Liabilities	19	9.20	1.37
TOTAL LIABILITIES		**1,087.19**	**70.16**
(3) Equity			
(a) Equity Share Capital	20	1,188.17	1,188.17
(b) Other Equity	21	3,957.51	3,604.85
TOTAL EQUITY		**5,145.68**	**4,793.02**
TOTAL LIABILITIES AND EQUITY		**6,232.87**	**4,863.18**

Significant Accounting Policies and Notes to Financial Statements **1-53**

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.**
Chartered Accountants
ICAI Firm Registration No. 0116886W

Manish Kankani
Partner
Membership No. 158020

Place: Kolkata
Date: May 26, 2022

For and on behalf of the Board of Directors

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

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

Anju Mundhra
Company Secretary
Place: Kolkata

Gaurav Jain
Chief Financial Officer
Place: Ajmer

Statement of Profit and Loss for the year ended 31st March, 2022

(₹ in Lakhs)

	Particulars	Note No.	Year ended 31st March, 2022	Year ended 31st March, 2021
REVENUE FROM OPERATIONS				
(i)	Interest Income	22	623.29	652.12
(ii)	Net gain on fair value changes	23	53.25	-
(I)	**Total Revenue from Operations**		**676.54**	**652.12**
(II)	Other Income	24	46.92	31.89
(III)	**Total Income (I+II)**		**723.46**	**684.01**
EXPENSES				
(i)	Finance Costs	25	8.49	-
(ii)	Net loss on fair value changes	23	195.54	-
(iii)	Impairment on Financial Instruments (net)	26	(405.69)	295.39
(iv)	Employee Benefits Expenses	27	269.21	83.37
(v)	Depreciation, Amortisation and Impairment Expense	10-11	0.55	0.49
(vi)	Other Expenses	28	111.10	57.42
(IV)	**Total Expenses**		**179.20**	**436.67**
(V)	**Profit Before Exceptional items & Tax (III-IV)**		544.26	247.34
(VI)	Exceptional Items		-	-
(VII)	**Profit Before Tax (V-VI)**		544.26	247.34
(VIII)	Tax Expense:			
	(a) Current Tax		46.82	-
	(b) Deferred Tax		145.81	97.76
	(c) Tax in respect of earlier years		0.96	(13.91)
			387.19	83.85
(IX)	**Profit After Tax (VII-VIII)**		**350.67**	**163.49**
(X)	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to Profit or Loss			
	(a) Remeasurement Gain/ (Loss) on Defined Benefit Plans		2.76	1.75
	(b) Income tax on above		(0.77)	(0.46)
	Total Other Comprehensive Income (net of tax)		**1.99**	**1.29**
(XI)	**Total Comprehensive Income (IX+X)**		**352.66**	**164.78**
(XII)	**Earnings per Equity Share (Face Value ₹ 10/- per share)**	29		
	Basic and diluted (in ₹)		2.95	1.38

Significant Accounting Policies and Notes to Financial Statements **1-53**

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 26, 2022

For and on behalf of the Board of Directors

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

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

Anju Mundhra
Company Secretary
Place: Kolkata

Gaurav Jain
Chief Financial Officer
Place: Ajmer

Statement of Cash Flow for the year ended 31st March, 2022

(₹ in Lakhs)

	Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
A.	Cash Flow from Operating Activities		
	Profit/ (Loss) Before Tax	544.26	247.34
	Adjustments for:		
	Depreciation, Amortisation and Impairment Expense	0.55	0.49
	Sundry Balance written off	0.13	-
	Net unrealised fair value loss on investments	269.29	-
	Impairment on Financial Instruments (net)	(405.69)	295.39
	Interest on income tax refund	(16.92)	(1.89)
	Interest on income tax	1.07	-
	Operating profit before working capital changes	**392.69**	**541.33**
	Movements in Working Capital :		
	(Increase) / Decrease in Loans	2,994.54	(325.62)
	Increase / (Decrease) in Other Financial Liabilities	14.05	4.17
	Increase / (Decrease) in Other Non-Financial Liabilities	12.41	(1.36)
	(Increase) / Decrease in Other Non-Financial Assets	(7.41)	0.81
	(Increase) / Decrease in Investments	(4,617.67)	-
	(Increase) / Decrease in Receivables	(14.07)	-
	Increase / (Decrease) in Derivatives financial instruments	0.05	
	Cash Generated/ (Used) in Operations	**(1,225.41)**	**219.33**
	Advance taxes paid (including Tax Deducted at Source and net of Refunds)	37.83	(59.16)
	Net Cash Generated from/ (Used in) Operating Activities (A)	**(1,187.58)**	**160.17**
	Net Cash Generated from/ (Used in) Investing Activities (B)	**-**	**-**
C.	Cash Flow from Financing Activities		**-**
	Amount received from borrowings (other than debt securities)	2,680.00	-
	Repayment of borrowings (other than debt securities)	(1,702.92)	-
	Net Cash Generated from/ (Used in) Financing Activities (C)	**977.08**	**-**
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**(210.50)**	**160.17**
	Cash and Cash Equivalents at the beginning of the year	**234.26**	**74.09**
	Cash and Cash Equivalents at the end of the year (refer Note No. 2)	**23.76**	**234.26**
	Net Cash Generated from/ (Used in) Operating Activities includes:		
	Interest received on loans	597.14	681.38
	Interest paid	5.34	-

Statement of Cash Flow for the year ended 31st March, 2022

Components of Cash and Cash Equivalents:

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Cash and Cash Equivalents at the end of the year		
(a) Cash on hand	2.69	4.62
(b) Balances with Banks - in Current Account	21.07	182.31
(c) Cheques on hand	-	47.33
	23.76	**234.26**

Changes in Cash Flows from Financing Activities

As at 1st April, 2021

(₹ in Lakhs)

Particulars	Movement		Year ended 31st March, 2022
	Cash	Non-Cash	
Borrowings (Other than Debt Securities)	975.00	2.08	977.08

(₹ in Lakhs)

Particulars	As at 1st April, 2020	Movement		Year ended 31st March, 2021
		Cash	Non-Cash	
Borrowings (Other than Debt Securities)	-	-	-	-

Explanations:

1. 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'.
2. 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 26, 2022

For and on behalf of the Board of Directors

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

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

Anju Mundhra
Company Secretary
Place: Kolkata

Gaurav Jain
Chief Financial Officer
Place: Ajmer

Statement of Changes in Equity for the year ended 31st March, 2022

A. Equity Share Capital

(₹ in Lakhs)

Balance as at April 1st, 2021	Issued during the year	Reductions during the year	Balance as at March 31st, 2022
1,188.17	-	-	1,188.17

(₹ in Lakhs)

Balance as at April 1st, 2020	Issued during the year	Reductions during the year	Balance as at April 1st, 2021
1,188.17	-	-	1,188.17

B. Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus			Money received against Share Warrants	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**

(₹ in Lakhs)

Particulars	Reserves and Surplus			Money received against Share Warrants	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, 2020	335.66	3,362.01	(257.60)	-	3,440.07
Profit/ (Loss) after tax for the year	-	-	163.49	-	163.49
Remeasurement Gain/ (Loss) on Defined Benefit Plans (net of tax)	-	-	1.29	-	1.29
Transfer to/(from) retained earnings	32.70	-	(32.70)	-	-
Balance as at 31st March, 2021	**368.36**	**3,362.01**	**(125.52)**	**-**	**3,604.85**

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 26, 2022

For and on behalf of the Board of Directors

Pawan Jain
Chairman
(DIN: 00038076)
Place: Kolkata

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

Anju Mundhra
Company Secretary
Place: Kolkata

Gaurav Jain
Chief Financial Officer
Place: Ajmer

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 The Calcutta Stock Exchange Limited and Metropolitan Stock Exchange of India Limited and re-commenced trading under "Permitted to Trade" category at the nationwide platform of BSE Limited with effect from 25th June, 2019. 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"). 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, 2022 were approved for issue in accordance with the resolution of the Board of Directors on 26th May, 2022.

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.

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.

Significant Accounting Policies and Notes to Financial Statements

(A) Revenue from Operations:

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

a) 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.

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.

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 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 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 recognised 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.

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 debt 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.

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 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.

Significant Accounting Policies and Notes to Financial Statements

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.

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. 180 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 drawdown's 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 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.

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, 2022

2. Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Cash on hand	2.69	4.62
Balances with Banks - in Current Account	21.07	182.31
Cheques on hand*	-	47.33
Total	**23.76**	**234.26**

* Cheques on hand have been since realised.

3. Bank Balance other than above

(₹ in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Balance with Bank		
Unclaimed Dividend Account	19.73	19.73
Total	**19.73**	**19.73**

4. Receivables

(i) Trade receivables

(₹ in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
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	**-**	**-**

Ageing Schedules

Particulars	As at 31st March, 2022						Total
	Outstanding for following periods from 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 Trade Receivables –considered good	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables –credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables –considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables –credit impaired	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

Particulars	As at 31st March, 2021						Total
	Outstanding for following periods from 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 Trade Receivables –considered good	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables –credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables –considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables –credit impaired	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**

(ii) Other receivables

(₹ in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Other receivables considered good-secured	-	-
Other receivables considered good-unsecured	14.07	-
Other receivables which have significant increase in credit risk	-	-
Other receivables - credit impaired	-	-
Gross	**14.07**	**-**
Less: Allowances for impairment loss on credit impaired other receivables	-	-
Net	**14.07**	**-**

Ageing Schedules

Particulars	As at 31st March, 2022						Total
	Outstanding for following periods from 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 Trade Receivables –considered good	14.07	-	-	-	-	-	14.07
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables –credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables –considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables –credit impaired	-	-	-	-	-	-	-
Total	**14.07**	**-**	**-**	**-**	**-**	**-**	**14.07**

Notes to the Financial Statements as at and for the year ended 31st March, 2022

(₹ in Lakhs)

Particulars	As at 31st March, 2021						Total
	Outstanding for following periods from 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 Trade Receivables –considered good	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables –credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables –considered good							
(v) Disputed Trade Receivables –which have significant increase in credit risk							
(vi) Disputed Trade Receivables –credit impaired	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**

5. Loans

(₹ in Lakhs)

Particulars	As at 31st March, 2022					Total
	Amortised Cost	At Fair Value				
		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) Others						
-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**

(₹ in Lakhs)

Particulars	As at 31st March, 2022					Total
	Amortised Cost	At Fair Value				
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal	
(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**

(₹ in Lakhs)

Particulars	As at 31st March, 2021					Total
	Amortised Cost	At Fair Value				
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal	
Loans						
(A)						
(i) Term Loans	4,695.08	-	-	-	-	4,695.08
(ii) Others						
-Inter-Corporate Deposits	198.20	-	-	-	-	198.20
Total A (Gross)	**4,893.28**	-	-	-	-	**4,893.28**
Less: Impairment loss allowance	653.17	-	-	-	-	653.17
Total A (Net)	**4,240.11**	-	-	-	-	**4,240.11**
(B)						
(i) Secured by tangible assets1	11.88	-	-	-	-	11.88
(ii) Secured by intangible assets2	3,181.61	-	-	-	-	3,181.61
(iii) Unsecured	1,699.79	-	-	-	-	1,699.79
Total B (Gross)	**4,893.28**	-	-	-	-	**4,893.28**
Less: Impairment loss allowance	653.17	-	-	-	-	653.17
Total B (Net)	**4,240.11**	-	-	-	-	**4,240.11**
(C) (I) Loans in India						
(i) Public Sector	-	-	-	-	-	-
(ii) Others						
-Corporates	2,212.47	-	-	-	-	2,212.47
-Other than Corporates	2,680.81	-	-	-	-	2,680.81
Total (C) (I) (Gross)	**4,893.28**	-	-	-	-	**4,893.28**
Less: Impairment loss allowance	653.17	-	-	-	-	653.17
Total (C) (I) (Net)	**4,240.11**	-	-	-	-	**4,240.11**
(C) (II) Loans outside India	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Total (C) (II) (Net)	-	-	-	-	-	-
Total (C) (I) (Net) and C (II) (Net)	**4,240.11**	-	-	-	-	**4,240.11**

[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, 2022

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

Particulars	As at 31st March 2022				As at 31st March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - opening balance	3,746.80	325.53	820.95	4,893.28	4,135.58	164.32	822.65	5,122.55
New assets originated or purchased/ disbursement	15,830.27	37.02	71.01	15,938.30	10,063.28	479.25	-	10,542.53
Assets derecognised or repaid (excluding write offs)	(17,970.82)	(304.82)	(668.76)	(18,944.40)	(9,727.96)	(373.79)	(100.00)	(10,201.75)
Transfers to Stage 1	57.73	(57.73)	-	-	269.78	(269.78)	-	-
Transfers to Stage 2	-	-	-	-	(325.53)	325.53	-	-
Transfers to Stage 3	**-**	**-**	**-**	**-**	**(668.35)**	**-**	**668.35**	**-**
Amounts written off	-	-	(152.60)	(152.60)	-	-	(570.05)	(570.05)
Gross carrying amount - closing balance	**1,663.98**	**-**	**70.60**	**1,734.58**	**3,746.80**	**325.53**	**820.95**	**4,893.28**

ii) Reconciliation of ECL balance is given below: (₹ in Lakhs)

Particulars	As at 31st March 2022				As at 31st March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**70.38**	**6.11**	**576.68**	**653.17**	**87.43**	**3.47**	**822.65**	**913.55**
New assets originated or purchased/ disbursement	297.61	0.70	44.47	342.78	189.03	9.00	-	198.03
Assets derecognised or repaid (excluding write offs)	(337.80)	(5.72)	(422.48)	(766.00)	(182.73)	(7.01)	(100.00)	(289.74)
Changes in ECL rate from previous financial year	16.31	-	(10.36)	5.95	(9.76)	(0.39)	-	(10.15)
Transfers to Stage 1	1.09	(1.09)	-	-	5.07	(5.07)	-	-
Transfers to Stage 2	-	-	-	-	(6.11)	6.11	-	-
Transfers to Stage 3	-	-	-	-	(12.55)	-	12.55	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	-	-	-	-	411.53	411.53
Amounts written off	-	-	(152.60)	(152.60)	-	-	(570.05)	(570.05)
ECL allowance - closing balance	**47.59**	**-**	**35.71**	**83.30**	**70.38**	**6.11**	**576.68**	**653.17**

iii) The contractual amount outstanding on loan assets that were written off during the reporting period and are still subject to enforcement activity is ₹ 135.65 Lakhs (31st March, 2021: ₹ 62.77 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

(₹ in Lakhs)

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

(₹ in Lakhs)

Particulars	As at 31st March, 2021					Total
	Amortised Cost	At Fair Value				
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal	
Equity instruments	-	-	0.01	-	0.01	0.01
Total Gross (A)	**-**	**-**	**0.01**	**-**	**0.01**	**0.01**
(i) Investments outside India	-	-	-	-	-	-
(ii) Investments in India	-	-	0.01	-	0.01	0.01
Total Gross (B)	**-**	**-**	**0.01**	**-**	**0.01**	**0.01**
Total (A) to tally with (B)	**-**	**-**	**0.01**	**-**	**0.01**	**0.01**
Less: Allowances for Impairment loss (C)	-	-	-	-	-	-
Total - Net D=(A)-(C)	**-**	**-**	**0.01**	**-**	**0.01**	**0.01**

Notes to the Financial Statements as at and for the year ended 31st March, 2022

Particulars	Face Value (₹)	Quantity		₹ in Lakhs	
		As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
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	-
-Escorts Ltd.*	10	2,27,000	-	3,838.23	-
-Federal-Mogul Goetze Ltd.	10	30,000	-	79.70	-
-Music Broadcast Ltd.	2	10,49,561	-	270.78	-
In Equity Instruments (Unquoted)					
-Maniratnam Flat Owners Association	1	1,298	1,298	0.01	0.01
Total		**13,31,901**	**1,298**	**4,348.38**	**0.01**

* 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 2022	As at 31st March 2021
Security Deposits		
-To Related Parties	1.60	1.60
-To Others	0.33	0.33
Total	**1.93**	**1.93**

8. Current Tax Assets (net)

(₹ in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Advance income tax (net of provision for income tax) [(Net of provision for income tax ₹ 88.48 Lakhs) (31st March, 2021: ₹ 320.21 Lakhs)]	58.41	146.35
Total	58.41	146.35

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, 2022 and 31st March, 2021 is, as follows:

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Accounting profit before tax	**544.26**	**247.34**
Statutory Income Tax Rate	27.82%	26.00%
Expected income tax expense at statutory income tax rate	151.41	64.31
(i) Income exempt from tax / Items not deductible (net)	3.17	2.26
(ii) Effect of indexation benefit / different tax rate on certain items	-	-
(iii) Other differences	39.01	17.28
Total Tax Expense recognised in Statement of Profit and Loss	**193.59**	**83.85**
Total Tax Expense recognised in Other Comprehensive Income	(0.77)	(0.46)

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

(₹ in Lakhs)

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**

(₹ in Lakhs)

Particulars	As at 1st April, 2020	Recognised / (reversed) in Statement of Profit and Loss	Recognised / (reversed) in Other Comprehensive Income	Others*	As at 1st April, 2021
MAT Credit Entitlement	36.16	(14.57)	-	-	21.59
Loss under Income Tax	-	1.35	-	-	1.35
Property Plant and Equipment	(0.07)	0.02	-	-	(0.05)
Provision for Post retirement benefits	6.77	1.38	(0.46)	-	7.69
Loans measured at Amortised Cost	247.41	(85.94)	-	-	161.47
Net Deferred Tax Assets / (Liabilities)	**290.27**	**(97.76)**	**(0.46)**	**-**	**192.05**

* MAT Credit Entitlment utilised against provision for income tax.

Notes to the Financial Statements as at and for the year ended 31st March, 2022

10. Investment Property

(₹ in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
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	0.70	0.50
Depreciation charge for the year	0.25	0.20
Closing Accumulated Depreciation and Impairment Expense	**0.95**	**0.70**
Net Carrying Amount	**12.31**	**12.56**

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

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
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	0.34	0.34

(ii) Fair Value (₹ in Lakhs)

Particulars	Level	Year ended 31st March, 2022	Year ended 31st March, 2021
Investment Property	Level 2	38.53	35.02

(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.

Notes to the Financial Statements as at and for the year ended 31st March, 2022

11. Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Gross Carrying Amount				Depreciation and Impairment Expense				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
Computers	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**

(₹ in Lakhs)

Particulars	Gross Carrying Amount				Depreciation and Impairment Expense				Net Carrying Amount
	As at 1st April, 2020	Additions during the year	Disposals and other adjustments	As at 31st March, 2021	As at 1st April, 2020	For the year	Disposals and other adjustments	As at 31st March, 2021	As at 31st March, 2021
	(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	0.18	0.09	-	0.27	4.45
Computers	1.06	-	-	1.06	0.43	0.20	-	0.63	0.43
Total	**5.78**	**-**	**-**	**5.78**	**0.61**	**0.29**	**-**	**0.90**	**4.88**

12. Other Non-Financial Assets

(₹ in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Employee Advances	7.13	-
Advances to Vendors for Operating Expenses	0.20	0.06
Prepaid Expenses	0.63	0.49
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	6.30
Total	**51.18**	**11.30**

*Pending refund from Income Tax authorities

13. Derivative financial instruments

Particulars	As at 31st March, 2022			As at 31st March, 2021		
	Notional Amounts	Fair Value Assets	Fair Value Liabilities	Notional Amounts	Fair Value Assets	Fair Value Liabilities
Equity derivatives						
- Futures	1,042.03	-	0.05	-	-	-
Total	**-**	**-**	**0.05**	**-**	**-**	**-**

ASHIKA
GROWING & SHARING WITH YOU

Notes to the Financial Statements as at and for the year ended 31st March, 2022

14. Payables

(₹ in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
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	-	-

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 2022	As at 31st March 2021
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.

Trade Payables ageing schedule as at March 31st, 2022 :

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	-	-
(iii) Disputed dues- MSMEs	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

Notes to the Financial Statements as at and for the year ended 31st March, 2022

Trade Payables ageing schedule as at March 31st, 2021 :

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	-	-
(iii) Disputed dues- MSMEs	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

15. Borrowings (Other than Debt Securities)

(₹ in Lakhs)

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**

(₹ in Lakhs)

Particulars	As at 31st March, 2021			
	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	-	-	-	-
Unsecured				
- Loans from Related Parties	-	-	-	-
Total	**-**	**-**	**-**	**-**
Borrowings in India	-	-	-	-
Borrowings outside India	-	-	-	-
Total	**-**	**-**	**-**	**-**

* secured against pledge of investment in equity shares

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.

Notes to the Financial Statements as at and for the year ended 31st March, 2022

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

Particulars	As at 31st March 2022	As at 31st March 2021
Within 1 year	**977.08**	**-**

16. Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Payable to Employees	25.19	12.66
Liabilities for Operating Expenses	11.58	10.06
Unpaid Dividends (refer Note No. 16.1)	19.73	19.73
Total	**56.50**	**42.45**

16.1 To be credited to Investor Education and Protection Fund as and when due. As at 31st March, 2022, 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 2022	As at 31st March 2021
For Taxation (Net of Advance Tax ₹ 31.70 Lakhs , 31st March, 2021: ₹ Nil)	16.19	-
Total	**16.19**	**-**

18. Provisions

(₹ in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Provision for Employee Benefits (refer Note No. 31)		
Gratuity	28.17	26.34
Total	**28.17**	**26.34**

19. Other Non-Financial Liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Statutory Dues Payable	9.20	1.37
Total	**9.20**	**1.37**

Notes to the Financial Statements as at and for the year ended 31st March, 2022

20. Equity Share Capital

Particulars	As at 31st March 2022		As at 31st March 2021	
	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 2022		As at 31st March 2021	
	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, 2022)

The Company has not issued any Equity shares during the 5 year preceding 31st March, 2022 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:

Name of Shareholder	As at 31st March 2022		As at 31st March 2021	
	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.	13,76,743	11.59	7,87,709	6.63

Notes to the Financial Statements as at and for the year ended 31st March, 2022

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

As at 31st March, 2022

Name of Promoter	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	-

As at 31st March, 2021

Name of Promoter	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.	7,87,709	6.63	100.00
Daulat Jain	4,50,000	3.79	-

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

21. Other Equity

(₹ in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Statutory Reserve (pursuant to Section 45-IC of The Reserve Bank of India Act, 1934)		
Opening balance	368.36	335.66
Add: Transferred from retained earnings	70.13	32.70
Closing balance	**438.49**	**368.36**
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	(125.52)	(257.60)
Add: Profit/ (Loss) after tax for the year	350.67	163.49
Add: Remeasurement Gain/ (Loss) on Defined Benefit Plans (net of tax)	1.99	1.29
Amount available for appropriation	**227.14**	**(92.82)**
Appropriations:		
Less: Transferred to Statutory Reserve (Pursuant to Section 45-IC of the Reserve Bank of India Act, 1934)	70.13	32.70
Closing balance	**157.01**	**(125.52)**
Total	**3,957.51**	**3,604.85**

Notes to the Financial Statements as at and for the year ended 31st March, 2022

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.

22. Interest Income

(₹ in Lakhs)

Particulars	As at 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**

(₹ in Lakhs)

Particulars	As at 31st March, 2021			
	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	-	652.12	-	652.12
Total	**-**	**652.12**	**-**	**652.12**

Notes to the Financial Statements as at and for the year ended 31st March, 2022

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

(₹ in Lakhs)

Particulars	As at 31st March 2022			As at 31st March 2021		
	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	-	(195.54)	(195.54)	-	-	-
-Derivatives	53.25	-	53.25	-	-	-
Total Net gain/(loss) on fair value changes (A)	**53.25**	**(195.54)**	**(142.29)**	**-**	**-**	**-**
Fair Value Changes:						
Realised	53.25	73.75	127.00	-	-	-
Unrealised	-	(269.29)	(269.29)	-	-	-
Total Net gain/(loss) on fair value changes (B)	**53.25**	**(195.54)**	**(142.29)**	**-**	**-**	**-**

24. Other Income

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest on income tax refund	16.92	1.89
Liability No Longer Required written back	-	-
Bad debt Recovery	30.00	30.00
Other Non-Operating Income	-	-
Total	**46.92**	**31.89**

25. Finance Costs

(₹ in Lakhs)

Particulars	Year ended 31st March 2022			Year ended 31st March 2021		
	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	-	5.11	5.11	-	-	-
- Loans from institutions and others	-	2.31	2.31	-	-	-
Other Interest Expense						
-Income Tax	-	1.07	1.07	-	-	-
Total	**-**	**8.49**	**8.49**	**-**	**-**	**-**

26. Impairment on Financial Instruments (net)

(₹ in Lakhs)

Particulars	Year ended 31st March 2022		Year ended 31st March 2021	
	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)	-	(405.69)	-	295.39
Total	**-**	**(405.69)**	**-**	**295.39**

26.1 Impairment on Loans

(₹ in Lakhs)

Particulars	Year ended 31st March 2022		Year ended 31st March 2021	
	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	-	570.93
Provision for Impairment	-	(558.29)	-	(275.54)
Total	**-**	**(405.69)**	**-**	**295.39**

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, 2022

(₹ in Lakhs)

Particulars	General Approach			Total
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	
Loans	(22.79)	(6.11)	(529.38)	(558.29)
Total	**(22.79)**	**(6.11)**	**(529.38)**	**(558.29)**

Year ended 31st March, 2021

(₹ in Lakhs)

Particulars	General Approach			Total
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	
Loans	(17.05)	2.64	(261.13)	(275.54)
Total	**(17.05)**	**2.64**	**(261.13)**	**(275.54)**

Notes to the Financial Statements as at and for the year ended 31st March, 2022

27. Employee Benefits Expenses

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Salaries, Allowances and Bonus	260.95	79.86
Contribution to Provident and Other Funds	7.45	2.99
Staff Welfare Expenses	0.81	0.52
Total	**269.21**	**83.37**

28. Other Expenses

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Rent, taxes and energy costs	7.08	7.71
Repairs and Maintenance	4.73	4.38
Communication Costs	0.10	0.09
Printing and Stationery	0.29	0.57
Advertisement and Publicity	1.32	1.17
Business Promotion Expenses	3.77	1.98
Fees and Subscriptions	3.30	3.63
Director's Fees, Allowances and Expenses	4.78	4.25
Payments to the Auditor (refer Note No. 28.1)	11.92	12.63
Legal and Professional Charges	8.81	6.70
Travelling and Conveyance	14.24	1.98
Corporate Social Responsibility Expenses (refer Note No. 28.2)	7.25	10.00
Donations	20.00	-
Postage and Courier	0.18	0.14
Securities Transaction Tax	9.65	-
Brokerage and incidental cost	11.27	-
Insurance	1.18	0.64
Other Expenditure	1.23	1.55
Total	**111.10**	**57.42**

28.1 Payments to the Auditor (including GST):

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
As Auditor		
-For Statutory Audit and Limited Reviews	8.26	8.85
-For Other Services (Certifications etc.)	1.48	1.48
-For Taxation Matter -Tax Audit Fees	1.77	1.77
-For Reimbursement of Expenses	0.41	0.53
Total	**11.92**	**12.63**

28.2 Corporate Social Responsibility Expenses:

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Gross amount required to be spent by the Company during the year	7.02	7.88
Amount of expenditure incurred (paid in cash)	7.25	10.00
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	Not Applicable	Not Applicable
Nature of CSR activities	Social busines projects	Promotion of education and enhancing vocational skills
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
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	**7.25**	**10.00**

29. Earnings Per Equity Share (EPS)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Profit/ (Loss) After Tax attributable to Equity Shareholders (₹ in Lakhs) - A	350.67	163.49
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)	**2.95**	**1.38**

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

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Contingent Liabilities		
Claims against the Company not acknowledged as debts:		
Income Tax [include deposits made under protests 31st March, 2022: ₹ 38.77 Lakhs (31st March, 2021: ₹ 6.30 Lakhs)	-	30.50
Total	**-**	**30.50**

Notes to the Financial Statements as at and for the year ended 31st March, 2022

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 ₹ 7.45 Lakhs (Previous year: ₹ 2.99 Lakhs) for the year ended 31st March, 2022 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.

(a) 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.

(b) Salary Inflation Risk: Higher than expected increase in salary will increase the defined benefit obligation.

(c) 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.

Amounts recognised in the statement of profit and loss in respect of the defined benefit plans are as follows:

Gratuity (₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Amounts recognised in Statement of Profit and Loss in respect of Defined Benefit Plans are as follows:		
Current Service Cost	2.77	2.68
Net Interest Expense	1.82	1.58
Past Service Cost	-	-
Components of Defined Benefit Costs recognised in Statement of Profit and Loss (A)	**4.59**	**4.26**
Remeasurement of gain/(loss) in Other Comprehensive Income:		
Actuarial changes arising from changes in financial assumptions	(0.25)	(0.63)
Actuarial changes arising from changes in Experience adjustments	(2.50)	(1.12)
Components of Defined Benefit Costs recognised in Other Comprehensive Income (B)	**(2.75)**	**(1.75)**
Total (A+B)	**1.84**	**2.51**

Notes to the Financial Statements as at and for the year ended 31st March, 2022

Movement in the present value of the defined benefit obligation are as follows:

Gratuity

(₹ in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Change in the Defined Benefit Obligations		
Present value of Defined Benefit Obligation at the beginning of the year	26.34	24.31
Expenses recognised in Statement of Profit and Loss:		
Current Service Cost	2.77	2.68
Net Interest Expense	1.82	1.58
Direct Benefits Paid	-	(0.48)
Remeasurement Gain/(Loss) recognised in Other Comprehensive Income	(2.76)	(1.75)
Present value of Defined Benefit Obligation at the end of the year	**28.17**	**26.34**

Calculation of Benefit Liability / (Asset):

Gratuity

(₹ in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Defined benefit obligation	28.17	26.34
Fair value of plan assets	-	-
Benefit Liability	**28.17**	**26.34**

The principal assumptions used are as follows:

Particulars	As at 31st March 2022	As at 31st March 2021
Discount rate (%)	7.10	6.90
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.

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.

Notes to the Financial Statements as at and for the year ended 31st March, 2022

Gratuity

(₹ in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Discount Rate + 1%	(1.46)	(1.45)
Discount Rate - 1%	1.64	1.62
Salary Escalation +1%	1.79	1.75
Salary Escalation -1%	(1.62)	(1.59)

Maturity Analysis of The Benefit Payments

Gratuity

(₹ in Lakhs)

Expected payment for future years	As at 31st March 2022	As at 31st March 2021
Year 1	0.96	0.84
Year 2	1.16	-
Year 3	1.20	-
Year 4	23.30	-
Year 5	0.46	34.62
Next 5 Years	2.23	-

The weighted average duration of defined benefit obligation is 4.1 years (31st March, 2021: 4.91 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)

Assets	As at 31st March 2022			As at 31st March 2021		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Assets						
Financial Assets						
Cash and Cash Equivalents	23.76	-	23.76	234.26	-	234.26
Bank Balance other than above	19.73	-	19.73	19.73	-	19.73
Receivables	14.07		14.07			
Loans	1,651.28	-	1,651.28	2,022.32	2,217.79	4,240.11
Investments	4,348.37	0.01	4,348.38	-	0.01	0.01
Other Financial Assets	1.60	0.33	1.93	1.60	0.33	1.93

(₹ in Lakhs)

Assets	As at 31st March 2022			As at 31st March 2021		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Non-Financial Assets						-
Current Tax Assets (net)	-	58.41	58.41	-	146.35	146.35
Deferred Tax Assets (net)	-	47.24	47.24	-	192.05	192.05
Investment Property	-	12.31	12.31	-	12.56	12.56
Property, Plant and Equipment	-	4.58	4.58	-	4.88	4.88
Other Non-Financial Assets	7.88	43.30	51.18	0.55	10.75	11.30
Total Assets	**6,066.69**	**166.18**	**6,232.87**	**2,278.46**	**2,584.72**	**4,863.18**

(₹ in Lakhs)

Liabilities	As at 31st March 2022			As at 31st March 2021		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Liabilities						
Financial Liabilities						
Derivatives financial instruments	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	977.08	-	977.08	-	-	-
Other Financial Liabilities	56.50	-	56.50	42.45	-	42.45
Non-Financial Liabilities						-
Current Tax Liabilities (net)	16.19	-	16.19	-	-	-
Provisions	0.96	27.21	28.17	0.84	25.50	26.34
Other Non-Financial Liabilities	9.20	-	9.20	1.37	-	1.37
Total Liabilities	**1,059.98**	**27.21**	**1,087.19**	**44.66**	**25.50**	**70.16**
Net	**5,006.71**	**138.97**	**5,145.68**	**2,233.80**	**2,559.22**	**4,793.02**

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

Notes to the Financial Statements as at and for the year ended 31st March, 2022

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.

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 2022		As at 31st March 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
a) Measured at Amortised Cost				
i) Cash and Cash Equivalents	23.76	23.76	234.26	234.26
ii) Bank Balance other than above	19.73	19.73	19.73	19.73
ii) Receivables	14.07	14.07	-	-
iv) Loans	1,651.28	1,651.28	4,240.11	4,268.12
v) Other Financial Assets	1.93	1.93	1.93	1.93
Subtotal	**1,710.77**	**1,710.77**	**4,496.03**	**4,524.04**
b) Measured at Fair value through Profit or Loss				
i) Investments	4,348.38	4,348.38	0.01	0.01
Subtotal	**4,348.38**	**4,348.38**	**0.01**	**0.01**
Total Financial Assets	**6,059.15**	**6,059.15**	**4,496.04**	**4,524.05**
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	977.08	977.08	-	-
iii) Other Financial Liabilities	56.50	56.50	42.45	42.45
Subtotal	**1,033.58**	**1,033.58**	**42.45**	**42.45**

(₹ in Lakhs)

Particulars	As at 31st March 2022		As at 31st March 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
b) Measured at Fair value through Profit or Loss				
i) Derivatives financial instruments	0.05	0.05	-	-
Subtotal	**0.05**	**0.05**	**-**	**-**
Total Financial Liabilities	**1,033.63**	**1,033.63**	**42.45**	**42.45**

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.

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): Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

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.

Notes to the Financial Statements as at and for the year ended 31st March, 2022

(₹ in Lakhs)

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**

(₹ in Lakhs)

Particulars	As at 31st March, 2021			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments	-	-	0.01	0.01
Total	**-**	**-**	**0.01**	**0.01**
Financial Liabilities				
Derivatives financial instruments	-	-	-	-
Total	**-**	**-**	**-**	**-**

Fair value of the Company's assets and liabilities that are measured at fair value on a recurring basis

Fair Value as at (₹ in Lakhs)

Particulars	31st March, 2022	31st March, 2021	Fair Value Hierarchy	Valuation Technique and Key Inputs	Significant Unobservable Inputs
Financial Assets					
Investments	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	0.05	-	Level 1	Note (iii)	Not Applicable

(i) Quoted Prices

Quoted bid prices of an active market was used.

(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:

Foreign Currency Risk

The Company does not have any exposure to foreign currency. Hence, any fluctuations on account of foreign currency has not arisen.

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.

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 (except interest accrued and due) 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.

Liquidity Risk Management (Based on Commercial Terms): (₹ in Lakhs)

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) Loans	284.50	1,450.08	-	1,734.58
iv) Investments	4,348.37	-	0.01	4,348.38
v) Other Financial Assets	-	1.60	0.33	1.93
Total	**4,676.36**	**1,451.68**	**0.34**	**6,128.38**

Notes to the Financial Statements as at and for the year ended 31st March, 2022

(₹ in Lakhs)

Particulars	As at 31st March, 2022			
	Less than 3 months	3 to 12 months	> 12 months	Total
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**

(₹ in Lakhs)

Particulars	As at 31st March, 2021			
	Less than 3 months	3 to 12 months	> 12 months	Total
Financial Assets				
i) Cash and Cash Equivalents	234.26	-	-	234.26
ii) Bank Balance other than above	19.73	-	-	19.73
iii) Receivables	-	-	-	-
iv) Loans	567.83	1,855.87	2,469.58	4,893.28
v) Investments	-	-	0.01	0.01
vi) Other Financial Assets	-	1.60	0.33	1.93
Total	**821.82**	**1,857.47**	**2,469.92**	**5,149.21**
Financial Liabilities				
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) Other Financial Liabilities	42.45	-	-	42.45
Total	**42.45**	**-**	**-**	**42.45**

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 for business purpose. 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 lays 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 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	**31st March, 2022**	264.31	1,386.97	1,651.28
Loans (Net of Impairment)	31st March, 2021	1,609.66	2,630.45	4,240.11

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 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.

Puja Sales Promotion Pvt. Ltd.

Pawan Jain (HUF)

Notes to the Financial Statements as at and for the year ended 31st March, 2022

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, 2022	Balance Outstanding as at 31st March, 2022	For the year ended 31st March, 2021	Balance Outstanding as at 31st March, 2021
Entity having significant influence over the Company					
Ashika Global Securities Pvt. Ltd.	Loan Taken	200.00	-	-	-
	Interest Expenses on Loan Taken	0.07	-	-	-
	Loan Given	2,305.00	-	2,220.00	100.00
	Repayment of Loan Given	2,405.00	-	2,270.00	-
	Interest Income on Loan Given	30.08	-	30.75	-
Entities controlled by AGSPL					
Ashika Stock Broking Ltd.	Loan Given	3,725.00	-	2,075.00	500.00
	Repayment of Loan Given	4,225.00	-	1,575.00	-
	Brokerage	6.54	-	-	-
	Interest Income on Loan Given	57.95	-	14.01	-
	Demat Charges	0.30	0.01	0.26	0.01
Ashika Commodities and Derivatives Pvt. Ltd.	Loan Given	435.00	-	-	-
	Interest Income on Loan Given	3.12	-	-	-
Key Management Personnel (KMP)					
Pawan Jain	Remuneration	169.11	10.52	0.00*	-
Daulat Jain	Remuneration	12.50	0.82	-	-
Gaurav Jain	Remuneration	20.88	2.30	18.00	2.83
Anju Mundhra	Remuneration	27.58	2.38	17.00	2.73
	Advance Given	10.00	6.50	-	-
Sagar Jain	Sitting Fees	1.40	0.05	1.20	-
Suparna Sengupta	Sitting Fees	1.25	-	1.15	-
Sonu Jain	Sitting Fees	1.40	0.05	1.25	-

* Represents figure which is less than ₹ 500 hence appearing zero due to rounding off.

Note: The remuneration paid/provided to the Executive Directors by the Company during the year ended is in excess of the limit laid down under Section 197 of the Act. However the Company has obtained necessary approvals from the shareholders of the Company by way of Special Resolution.

Name of the related party and nature of relationship	Nature of Transactions**	For the year ended 31st March, 2022	Balance Outstanding as at 31st March, 2022	For the year ended 31st March, 2021	Balance Outstanding as at 31st March, 2021
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 Received	1,480.00	975.00	-	-
	Interest Expense on Loan Received	5.04	-	-	-
	Loan Given	2,870.00	-	-	-
	Interest Income on Loan Given	32.84	-	-	-
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, 2022	Year ended 31st March, 2021
Short-term employee benefits	244.12	38.60
Post-employment benefits	2.35	2.26

38. Financial Ratios

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
(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, 2022

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
		As at March 31st, 2022	As at March 31st, 2021				
Investment property	Residential flat	13.26	13.26	Queens Park Estates Pvt. Ltd.	No	04-10-2006	Conveyance pending

40. No proceedings have 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 March 31st, 2022 and March 31st, 2021.

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 March 31st, 2022 and as at March 31st, 2021, 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 it's 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 March 31st, 2022 and March 31st, 2021 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 March 31st, 2022 and March 31st, 2021.

45. The Company has not been declared as wilful defaulter by any bank or financial Institution or other lender during the year ended March 31st, 2022 and March 31st, 2021.

46. Utilisation of Borrowed Funds and Share Premium

(A) During the year ended and as at March 31st, 2022 and March 31st, 2021, 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 March 31st, 2022 and March 31st, 2021, 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 Crypto currency or Virtual Currency during the year ended March 31st, 2022 and March 31st, 2021.

Notes to the Financial Statements as at and for the year ended 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 is furnished vide Annexure - I attached herewith. These disclosures are prepared under Ind AS issued by MCA unless otherwise stated.

49. While economic activities are returning to normalcy, the extent to which the effect of any new wave of COVID-19 will impact the Company's operational and financial results will depend on the future developments, which are uncertain at this point of time. The Company's Management is continuously monitoring the situation and economic factors affecting the operations of the Company.

In accordance with the Reserve Bank of India ("RBI") guidelines on 'COVID-19 Regulatory Package' dated March 27, 2020, April 17, 2020 and May 23, 2020, the Company had granted moratorium to all eligible borrowers upto six months on payment of instalments/ interest, as applicable, falling due between March 1, 2020 and August 31, 2020.

Due care has been exercised, in concluding on significant accounting judgements and estimates, including in relation to recoverability of receivables, assessment of impairment on loans etc. based on the information available to date, while preparing the Company's financial results as of and for the quarter and year ended March 31, 2022.

The Company has made provisions as per the adopted Expected Credit Loss ("ECL") model for impairment of financial instruments. Based on the current situation and the available internal and external sources of information including various measures taken by the Government and regulators, the Company considers this provision, to be adequate and expects that all assets of the Company are recoverable.

50. The business of the Company falls within a single primary segment vis.,'Financial Services' and hence, the disclosure requirement of the Ind AS 108 - "Operating Segments" is not applicable.

51. 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	1,663.98	47.59	1,616.39	4.16	43.43
	Stage 2	-	-	-	-	-
Subtotal		**1,663.98**	**47.59**	**1,616.39**	**4.16**	**43.43**
Non- Performing Assets (NPA)						
Sub-standard (a)	Stage 3	-	-	-	-	-
Doubtful - upto 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	70.60	35.71	-	21.18	14.53
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for Doubtful (b)		70.60	35.71	-	21.18	14.53
Loss (c)	Stage 3	-	-	-	-	-
Subtotal for NPA (a+b+c)		**70.60**	**35.71**	**-**	**21.18**	**14.53**

Notes to the Financial Statements as at and for the year ended 31st March, 2022

(₹ 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
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**	1,663.98	47.59	1,616.39	4.16	43.43
	Stage 2	-	-	-	-	-
	Stage 3	70.60	35.71	-	21.18	14.53
	Total	**1,734.58**	**83.30**	**1,616.39**	**25.34**	**57.96**

52. The Company does not have any subsidiary as at March 31st, 2022 and March 31st, 2021 and accordingly clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable.

53. 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 53

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 26, 2022

For and on behalf of the Board of Directors

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

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

Anju Mundhra
Company Secretary
Place: Kolkata

Gaurav Jain
Chief Financial Officer
Place: Ajmer

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 TWENTY NINTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the ***Twenty Ninth Annual General Meeting (AGM)*** of the members of Ashika Credit Capital Limited ("the Company") will be held on Saturday the 3rd day of September, 2022 at 12 noon 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, 2022 (Standalone) together with the Reports of the Auditors and the Board of Directors thereon.
2. To appoint a Director in place of Mr. Pawan Jain (DIN: 00038076), who retires by rotation, and being eligible, offers himself for re-appointment.

   Explanation: Based on terms of appointment, Executive Directors are subject to retirement by rotation. Mr. Pawan Jain, who is liable to retire by rotation, being eligible, seeks re-appointment. The Board recommends his re-appointment. This shall not constitute a break in the office of Mr. Pawan Jain as the Whole-time Director of the Company.

   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. Pawan Jain (DIN: 00038076), Whole-time Director, who shall retire by rotation at the ensuing Annual General Meeting and be re-appointed as Director (Whole-time Director) of the Company."

SPECIAL BUSINESS:

3. **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 if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Sections 2(94), 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (Act) and rules thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) or any statutory modification(s) or re-enactment(s) thereof, and on recommendation of Nomination & Remuneration Committee and as agreed by the Board of Directors, consent of the members of the Company be and is hereby accorded for re-appointment of Mr. Pawan Jain (DIN 00038076), as Executive Chairman & Whole Time Director (KMP) of the Company for a period of 3 consecutive years effective from 1st November 2022, liable to retire by rotation, on the terms and conditions, including remuneration as set out in the Statement under Section 102 of the Act annexed hereto and detailed in agreement executed between Company and Mr. Pawan Jain".

   "**RESOLVED FURTHER THAT** in the event of inadequacy or absence of profits under Section 197 and all other applicable provisions of the Act in any financial year or years during the term of appointment, the remuneration comprising salary, including perquisites, allowances and benefits, if any, be allowed to Mr. Pawan Jain and be paid as minimum remuneration to the said Whole Time Director for the aforesaid period in accordance with the provisions of Section 197, Schedule V and other applicable provision of Companies Act, 2013 and approval of shareholders in ensuing AGM shall also be deemed to be the approval by way of special resolution as contemplated under Section 197 read with Schedule V of the Companies Act, 2013."

   "**RESOLVED FURTHER THAT** the detailed salary break up as enumerated in the explanatory statement may be interchanged and agreed upon at the request of Mr. Jain within the overall limits of Remuneration of respective years."

"**RESOLVED FURTHER THAT** pursuant to the Regulation 17(6) (e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, read with the applicable provisions of the Companies Act, 2013 and Rules made thereunder, and Schedule V to the Companies Act, 2013 and on recommendation of Nomination & Remuneration committee and approval of Board, the consent of members be and is hereby accorded for the payment of remuneration to Mr. Pawan Jain (Din : 00038076) as Executive Chairman & Whole Time Director of the company and being promoter of the company notwithstanding that it is in excess of limits as specified under regulation 17 of SEBI LODR (i.e remuneration exceed 2.5% of net profit to one such executive director or in aggregate in excess of 5% of net profit of the Company for two executive directors who are promoters of the Company) as calculated under the provisions of Section 198 of the Companies Act, 2013 in any financial year during his tenure."

"**RESOLVED FURTHER THAT** the Board of Directors of the Company or a Committee thereof be and is hereby authorized to vary and/ or revise the remuneration of the said Whole Time Director within the overall limits approved herein and to settle any question or difficulties in connection therewith or incidental thereto."

"**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) and / or Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

4. **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**

To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 2(54), 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (Act) and rules thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) or any statutory modification(s) or re-enactment(s) thereof, and on recommendation of Nomination & Remuneration Committee and as agreed by the Board of Directors, consent of the members of the Company be and is hereby accorded for re-appointment of Mr. Daulat Jain (DIN 00040088), as Managing Director & CEO (KMP) of the Company for a period of 3 consecutive years effective from 1st November 2022, liable to retire by rotation, on the terms and conditions, including remuneration as set out in the Statement under Section 102 of the Act annexed hereto and detailed in agreement executed between company and Daulat Jain. ".

"**RESOLVED FURTHER THAT** in the event of inadequacy or absence of profits under Section 197 and all other applicable provisions of the Act in any financial year or years during the term of appointment, the remuneration comprising salary, including perquisites, allowances and benefits, if any, except the perquisites falling outside the purview of the ceiling limit of remuneration as per applicable provisions of Schedule V of the Companies Act 2013, be allowed to Mr. Daulat Jain and be paid as minimum remuneration to the said Managing Director for the aforesaid period in accordance with the provisions of Section 197, Schedule V and other applicable provision of Companies Act, 2013 and approval of shareholders in ensuing AGM shall also be deemed to be the approval by way of special resolution as contemplated under Section 197 read with Schedule V of the Companies Act, 2013."

"**RESOLVED FURTHER THAT** the detailed salary break up as enumerated in the explanatory statement may be interchanged and agreed upon at the request of Mr. Jain within the overall limits of Remuneration of respective years."

"**RESOLVED FURTHER THAT** pursuant to the Regulation 17(6) (e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, read with the applicable provisions of the Companies Act, 2013 and Rules made thereunder, and Schedule V to the Companies Act, 2013 and on recommendation of Nomination & Remuneration committee and approval of Board, the consent of members be and is hereby accorded for the payment of remuneration to Mr. Daulat Jain (Din : 00040088) as Managing Director & CEO of the company and being promoter of the company notwithstanding that it is in excess of limits as specified under regulation 17 of SEBI LODR (i.e remuneration exceed 2.5% of net profit to one such executive director or in aggregate in excess of 5% of net profit of the Company for two executive directors who are promoters of the Company) as calculated under the provisions of Section 198 of the Companies Act, 2013 in any financial year during his tenure."

"**RESOLVED FURTHER THAT** the Board of Directors of the Company and/or including its committee thereof be and is hereby authorized to vary and/ or revise the remuneration of the said Whole Time Director within the overall limits approved herein and to settle any question or difficulties in connection therewith or incidental thereto."

"**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) and / or Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

5. **TO APPROVE MATERIAL RELATED PARTY TRANSACTIONS**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

"**RESOLVED THAT** pursuant to the applicable provisions of the Companies Act, 2013 ("Act") read with applicable rules issued under the Act (including any statutory modification(s) or re-enactment thereof, for the time being in force), Regulation 23 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations") the Company's Policy on "Materiality of Related Party Transactions and also on dealing with Related Party Transactions" and all other laws and regulations, as may be applicable, as amended, supplemented or re-enacted from time to time and in continuation of Approval granted by Shareholders via postal ballot on 24th March 2022 and pursuant to consent of Audit committee via circular resolution passed on 27th April 2022 and as agreed by Board of Directors, the consent of Members be and is hereby accorded to material related party transactions /arrangements with certain promoter/group companies/ Related parties for borrowing/availing Loans and Granting /giving of loans/ advances within the limits as set out in explanatory statement, in one or more tranches, notwithstanding that such borrowings/giving Loan availed/made or to be availed/made from or to any one or more promoter/group companies/Related parties exceeds ten percent or such other limit as may be specified under the SEBI Listing Regulations or any amendment thereof, of the annual consolidated turnover of the Company as per the last audited financial statements of the Company preceding the respective financial year in which such borrowings/Loan is availed by the Company, on arm's length basis and in ordinary course of business and on such terms and conditions as may be considered appropriate by the Board of Directors (including any authorized Committee thereof)."

"**RESOLVED FURTHER THAT** in continuation of Approval granted by Audit committee & Board on 14th February, 2022 and Shareholders via postal ballot on 24th March 2022 and in line with the Regulation 23 and other applicable provisions of the SEBI (LODR) Regulations, 2015, ("SEBI Listing Regulations") and Company's Policy on "Materiality of Related Party Transactions and also on dealing with Related Party Transactions", the Maximum amount sanctioned in the aforesaid postal ballot resolution for Related Party transaction , the same shall be construed and read as " Maximum Outstanding Amount at any point of time per annum".

"**RESOLVED FURTHER THAT** the Board of Directors of the Company (which includes any Committee of the Board) be and are hereby authorized to do all necessary acts, deeds, things and execute all such documents, undertaking as may be necessary in this regard from time to time to give effect to the above resolution."

By Order of the Board of Directors
for **Ashika Credit Capital Limited**

(Anju Mundhra)
Company Secretary
Membership no: F6686

Date: May 26, 2022
Place: Kolkata

NOTES:

1. In view of Covid-19 pandemic, social distancing norms and restrictions on movement of persons at several places in the country, and pursuant to General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 21/2021 and 02/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 14, 2021 and May 5, 2022 respectively issued by the Ministry of Corporate Affairs ('MCA') (collectively referred to as 'MCA Circulars') and Circular Nos. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 12, 2020 and May 13, 2022, respectively issued by the Securities and Exchange Board of India (collectively referred to as 'SEBI Circulars') permitting the holding of the Annual General Meeting ('AGM') through VC/OAVM, without the physical presence of the Members. In compliance with the provisions of the Companies Act, 2013 ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulations'), MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC/ OAVM which does not require physical presence of 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. An Explanatory Statement, pursuant to Section 102(1) of the Act, relating to Special Business set out under Item Nos. 3, 4 and 5 of the accompanying Notice are annexed hereto. Information under Regulation 26(4) and 36(3) of SEBI (LODR) Regulations, 2015 and amendments thereof and as required under Secretarial Standards on General Meeting (SS-2), issued by the Institute of Company Secretaries of India, in respect of Directors proposed to be appointed/re-appointed at this AGM is provided in the Annexure to this Notice.

4. 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.

5. 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.

6. As per the provisions of Clause 3.A.III. of the General Circular No. 20/2020 dated 5th May, 2020 and subsequent circulars, the matters of Special Business as appearing at Item Nos. 3 to 5 of the accompanying Notice, are considered to be unavoidable by the Board and hence, forming part of this Notice.

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 27th day of August 2022 till Saturday, the 3rd day of September 2022 (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 2021-2022 will also be available on the Company's website at www.ashikagroup.com, websites of the Stock Exchanges where the company shares are listed and traded, 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. Members are requested to notify immediately the change of their name, postal address, email address, mobile number, PAN, Nomination and bank particulars to their DP if the shares are held by them in electronic form and to the R & T Agent of the Company i.e. Maheshwari Datamatics Pvt. Ltd. if shares are held in physical form as available on website of RTA at https://mdpl.in/form in prescribed Form pursuant to SEBI Circular No. SEBI/HO/ MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021. 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. To prevent fraudulent transactions, members are allowed to exercise due diligence and not to 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.

10. 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. 03.09.2022. 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 5:00 p.m., on Saturday the 27th day of August, 2022** through e-mail on secretarial@ashikagroup.com. The same will be replied by the Company suitably.

11. SEBI vide circular dated 3rd November 2021 has mandated 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 are not available with the Company/ R&T Agent, on or after 1st April 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 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/form. 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. 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 RTA at https://mdpl.in/form for receiving all communication, including Annual Reports, Notices, Circulars, etc. from the Company electronically.

13. As per Regulation 40 of the Listing Regulations, securities of the listed companies can only be transferred in demat form with effect from April 1, 2019, except in case of request for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holding to demat form. Members can contact the Company or RTA for assistance in this regard.

14. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, 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.

15. 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.

16. 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, 2021 on the website of the Company www.ashikagroup.com and also on the website of the Ministry of Corporate Affairs.

17. On receipt of the requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the Annual General Meeting.

18. 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:

19. 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 e-voting during the AGM, will be provided by NSDL. The instructions for e-voting are given herein below.

20. The Voting rights of members shall be in proportion to their shares in the paid up- equity share capital of the company as on cut off date, i.e. **Saturday the 27th day of August, 2022**. A person who is not a Member on the cut-off date should accordingly treat this Notice as for information purposes only.

21. The remote e-voting period commences on **Wednesday the 31st day of August 2022 (9.00.A.M. IST) and ends on Friday, the 2nd day of September, 2022 (5.00 P.M. IST)**. During this period, members of the Company, holding shares as on the cut-off date i.e. **Saturday the 27th day of August, 2022**, 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.

22. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/ OAVM but shall not be entitled to cast their vote again.

23. The details of the procedure and manner for remote e-voting /joining the Twenty-Ninth 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.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.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.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

Notice

	3. 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 (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 Speede”** facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/loginor www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL.** Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in 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 provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
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.inor call at toll free no.: 1800 1020 990 and 1800 22 44 30
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 022- 23058738 or 022-23058542-43

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?

1. 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.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. 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.
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:
   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
   b) 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.
   c) How to retrieve your 'initial password'?
      (i) 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'.
      (ii) 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:
   a) 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.
   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) 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.
   d) 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.

<u>Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.</u>

<u>How to cast your vote electronically and join General Meeting on NSDL e-Voting system?</u>

1. 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.
2. 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".
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. 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:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by sending an e-mail to Company's mail id secretarial@ashikagroup.com
2. 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. <u>Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode</u>**.
3. 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.
4. 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

24. 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.

25. 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 toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre, Manager at evoting@nsdl.co.in

26. 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 27th day of August 2022 , 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. 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)

27. 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.

28. 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.

29. 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 & traded. The results shall also be displayed on the notice board at the registered office of the company.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

30. 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 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.

31. **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.

32. Members who need assistance before or during the AGM, can contact Ms Pallavi Mhatre, Manager, NSDL at evoting@nsdl.co.in or call 1800 1020 990 and 1800 22 44 30.

33. 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

34. 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 **5:00 p.m., Saturday the 27th day of August, 2022** will be considered and replied by the company suitably.

35. 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 24th Day of August, 2022 (9:00 A.M. IST) to Saturday the 27th Day of August, 2022 (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: May 26, 2022
Place: Kolkata

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item Nos. 3

Mr. Pawan Jain (DIN: 00038076) aged 57 year is the Promoter/Director of the Company. He was appointed as Whole Time Director of the Company based on the recommendation of Nomination and Remuneration Committee and approval of Board and shareholders for a period of three year effective from 01.11.2016 and was further reappointed for another 3 years w.e.f 01.11.2019 as approved by shareholders in the AGM held on 9th August 2019. The Members may note that the tenure of appointment of Mr. Pawan Jain as Executive Chairman & Whole Time Director is ending on 31st October 2022 and based on the recommendation of Nomination and Remuneration Committee and the Board, it is proposed to re-appoint him for a further period of 3 (three years), i.e., effective from November 01, 2022 to October 31, 2025 for which approval of the shareholders is being sought. Mr. Pawan Jain shall perform such duties and exercise such powers as are entrusted to him by the Board.

Mr. Pawan Jain, Chairman of the Company is the Founder of Ashika Group. He possesses over three decades of long stewardship and has guided Ashika to flourish and develop into an integrated financial service company. He possesses strong leadership skills, dynamism and a passion for merit to steer Ashika Group into a leading Company in Eastern India. He believes in nurturing a culture that is entrepreneurial, result oriented, client focused and based on teamwork. He leverages his expertise to provide holistic financial services that include NBFC business, Merchant Banking activities, Debt Syndication, Depository services, Broking business to a whopping client base all over India. Under his support, Ashika Group has been honoured with many awards and accolades.

As per Section 197 and other applicable provisions of the act, the remuneration payable to any one managing director or whole-time director or manager shall not exceed 5% of the net profits of the Company and if there is more than one such director remuneration shall not exceed 10% of the net profits to all such directors and manager taken together and overall managerial remuneration payable to all directors shall not exceed the limit of 11% of net profit of the Company as prescribed under Section 197 of the Act read with rules made thereunder.

Notice

The Nomination and Remuneration Committee and Board of Directors of the Company in their meeting held on 17th May 2022, has approved payment of remuneration to Mr. Pawan Jain as noted below, exceeding the prescribed limits. Further in case of your Company, the remuneration paid /payable to Managerial Personnel is likely to exceed 10% of Net Profit of the Company during the financial year ending FY 2022-23 and onwards. In terms of the provisions of Section 197 (as amended by the Companies (Amendment) Act, 2017), read with Schedule V of the Act, the Company is required to obtain the approval of the members by way of a special resolution for re-appointment and payment of remuneration to Managerial Personnel in case of no profits/ inadequacy of profits, as per limits specified under Part II Section II Para A of Schedule V of Companies 2013.

Purpose	Reappointment
Period	1st November 2022 till 31st October, 2025
Basic Salary, perquisites, other allowance, benefits	Not exceeding Rs. 1,65,00,000/- per annum or such sum as may be determined by board/committee from time to time within the limits as prescribed under the Act or any amendments thereto. The detailed break up are below : Basic Salary – Rs 34,26,000/- per annum , payable monthly House Rent Allowance – Rs 17,13,000/- per annum , payable monthly Special allowance – Rs 1,13,61,000/- per annum, payable monthly
Contribution to Provident Fund	Contribution to Provident Fund to the extent are not taxable under the Income Tax Act, 1961
Gratuity	Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
Retirement and other benefits	As per rules of the Company
Provision of car & Mobile, Telephone Expenses	Use of Company's chauffeur driven car for Official use and reimbursement of telephone expenses including mobile phone expenses.
Notice period, Severance Fee and service contract	One month of notice. No Severance Fee and service contract.
Shareholding as on 31/03/2022	Holding 789000 equity shares in the Company as Karta of Pawan Jain – HUF
Other Terms	Reimbursement of all legitimate expenses actually and properly incurred by performing duties and such reimbursement shall not form part of his remuneration
Minimum Remuneration	In the event of loss or inadequacy of profits in any year during the tenure of the Whole Time Director, Mr. Pawan Jain shall be paid remuneration as above as minimum remuneration,
As long as he functions as Whole Time Director he shall not be paid any sitting fees to attend any meeting of the Board and/or Committee thereof	

Note: 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 above ceiling limit of remuneration

Further, pursuant to a regulation 17(6) of SEBI (LODR) Regulations, 2015, effective from April 1, 2019, the fees or compensation payable to Executive Directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in a general meeting. The approval u/s 17(6) of SEBI LODR is sought form shareholder herein.

The statement as required under Section II, Part II of the Schedule V of the Companies Act, 2013 with reference to Special Resolution at Item No. 3 is annexed hereto as Annexure A. Additional information in respect of Mr. Pawan Jain, pursuant to Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings is provided in Annexure B to this notice.

All Consent and declaration has been duly obtained by the Company that Mr. Jain is not debarred or restrained from acting as director of the company by virtue of any SEBI order or any other such authority and that he is not disqualified to be re-appointed as director of any company. The Company has not committed any default in payments of dues to banks, Financial Institutions/Secured Creditor.

In Compliance with section 190 of Companies Act, 2013 the company has set out all terms & conditions of the re-appointment in the resolution as placed and also has entered in a document with Mr. Pawan Jain containing therein, inter alia, the remuneration and authority, powers, rights etc during their his tenure as Whole Time Director of the Company. The documents is available for inspection by the members at the Registered Office of the Company on any working day during business hours (upto the date of the Annual General Meeting). The above may be treated as an abstract of the terms of contract between the Company and Mr. Pawan Jain.

He shall not be entitled to receive any sitting fees for attending the Meetings of the Board of Directors or any Committees thereof. Subject to the provisions of Section 152 of the Companies Act, 2013, he shall be liable to retire by rotation. Further the company has received notice in writing from a member in terms of section 160(1) of Companies Act 2013

Accordingly, it is proposed to seek members' approval for the remuneration to be payable to Mr. Pawan Jain as Executive Chairman & Whole Time Director for a further period of three years starting from 01.11.2022 to 31.10.2025 in terms of the applicable provisions of the Companies Act 2013, for Companies having inadequate profits. The Board recommends the resolution set forth in Item no 3 for the approval by the shareholders of the Company as *SPECIAL RESOLUTION*.

None of the Directors or Key Managerial Personnel of the Company or their relatives are interested in the resolution set out at item No. 3 of the notice, except Mr. Pawan Jain, Chairman & Whole Time Director and Mr. Daulat Jain, Managing Director & CEO, who are related to each other and their relatives, are concerned or interested, financially or otherwise, in this Special Resolution except to the extent of their shareholding interest, if any, in the Company.

Item No. 4

Mr. Daulat Jain (DIN 00040088) aged 50 year is the Promoter Director of the company. He was appointed as Managing Director & CEO of the company Based on the recommendation of Nomination and Remuneration Committee and approval Board and shareholders for a period of three year effective from 01.11.2016 and was further reappointed for another 3 years wef 01.11.2019 as approved by shareholders in the AGM held on 9th August 2019. The Members may note that the tenure of appointment of Mr. Daulat Jain as Managing Director & CEO is ending on 31st October 2022 and based on the recommendation of Nomination and Remuneration Committee and the Board, it is proposed to re-appoint him for a further period of 3 (three years), i.e., effective from November 01, 2022 to October 31, 2025 for which approval of the shareholders is being sought. Mr. Daulat Jain shall perform such duties and exercise such powers as are entrusted to him by the Board.

Mr. Daulat Jain is the co-founder and Managing Director of Ashika Group. Being a leader from the beginning he has promoted ethics and Corporate Governance as the core strengths of the company. His proficiency and knowledge of Ashika's business has been a cornerstone for the group to aim for newer heights. Mr. Daulat Jain's business acumen has led the business to spread wings and establish an unparalleled distribution network with a strong presence in eastern region of India. Mr. Daulat Jain has over 25 years of experience across a wide array of subjects in the field of Corporate Finance, Investments (Securities Trading & Bought Out Deals), Taxation, Audit and Corporate Laws, Broking & Commodity business has helped the company to achieve its objectives. Mr. Daulat Jain is on the board of the company since 28th August 1996 and resigned there from on 1st May 2013. He was re-appointed on the Board of the company w.e.f. 14th January 2016.

Mr. Daulat Jain, is also Executive Chairman & Managing Director of Ashika Stock Broking Ltd. Pursuant to the applicable provisions of the Companies Act, 2013 read with Schedule V (Part II-section v) to the Companies Act, 2013, he shall draw remuneration from one or both companies, provided that the total remuneration drawn from the companies does not exceed the higher maximum limit admissible from any one of the companies of which he is a managerial person.

As per Section 197 and other applicable provisions of the act, the remuneration payable to any one managing director or whole-time director or manager shall not exceed 5% of the net profits of the Company and if there is more than one such director remuneration shall not exceed 10% of the net profits to all such directors and manager taken together and overall managerial remuneration payable to all directors shall not exceed the limit of 11% of net profit of the Company as prescribed under Section 197 of the Act read with rules made thereunder.

The Nomination and Remuneration Committee and Board of Directors of the Company in their meeting held on 17th May 2022 , has approved payment of remuneration to Mr. Daulat Jain as noted below. Further in case of your Company, the remuneration paid /payable to Managerial Personnel is likely to exceed 10% of Net Profit of the Company during the financial year ending FY 2022-23. In terms of the provisions of Section 197 (as amended by the Companies (Amendment)

Act, 2017), read with Schedule V of the Act, the Company is required to obtain the approval of the members by way of a **special resolution** for re-appointment and payment of remuneration to Managerial Personnel in case of no profits/ inadequacy of profits, as per limits specified under Part II Section II Para A of Schedule V of Companies 2013.

Purpose	Reappointment
Period	1st November 2022 till 31st October, 2025
Basic Salary, perquisites, other allowance, benefits	Upto Rs. 12,00,000/- per annum or such sum as may be determined by board/ committee from time to time within the limits as prescribed under the Act or any amendments thereto
Bonus	Not Exceeding Rs. 1,00,000 per annum or such sum as may be determined by board /committee from time to time
Contribution to Provident Fund	Contribution to Provident Fund to the extent are not taxable under the Income Tax Act, 1961
Gratuity	Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
Retirement and other benefits	As per rules of the Company
Provision of car & Mobile, Telephone Expenses	Use of Company's chauffeur driven car for Official use and reimbursement of telephone expenses including mobile phone expenses.
Notice period, severance fee and service contract	One month of notice. No Severance Fee and service contract.
Shareholding as on 31/03/2022	Holding 450000 equity shares in the Company
Other Terms	Reimbursement of all legitimate expenses actually and properly incurred by performing duties and such reimbursement shall not form part of his remuneration
Minimum Remuneration	In the event of loss or inadequacy of profits in any year during the tenure of the Whole Time Director, Mr. Pawan Jain shall be paid remuneration as above as minimum remuneration
As long as he functions as Managing Director he shall not be paid any sitting fees to attend any meeting of the Board and/or Committee thereof	

Note: 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 above ceiling limit of remuneration.

Further, pursuant to a regulation 17(6) of SEBI (LODR) Regulations, 2015, effective from April 1, 2019, the fees or compensation payable to Executive Directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in a general meeting. The approval u/s 17(6) of SEBI LODR is sought form shareholder herein.

The statement as required under Section II, Part II of the Schedule V of the Companies Act, 2013 with reference to Special Resolution at Item No. 4 is annexed hereto as Annexure A. Additional information in respect of Mr. Daulat Jain, pursuant to Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings is provided in Annexure B to this notice.

All Consent and declaration has been duly obtained by the Company that Mr. Jain is not debarred or restrained from acting as director of the company by virtue of any SEBI order or any other such authority and that he is not disqualified to be re-appointed as director of any company. The Company has not committed any default in payments of dues to banks, Financial Institutions/Secured Creditor in the preceding financial year.

In Compliance with section 190 of Companies Act 2013, the company has set out all terms & conditions of the re-appointment in the resolution as placed and also has entered in a document with Mr. Daulat Jain containing therein, inter alia, the remuneration and authority, powers, rights etc during their his tenure as Managing Director of the Company. The documents is available for inspection by the members at the Registered Office of the Company on any working day during business hours (upto the date of the Annual General Meeting). The above may be treated as an abstract of the terms of contract between the Company and Mr. Daulat Jain.

Notice

He shall not be entitled to receive any sitting fees for attending the Meetings of the Board of Directors or any Committees thereof. Subject to the provisions of Section 152 of the Companies Act, 2013, he shall be liable to retire by rotation. Further the company has received notice in writing from a member in terms of section 160(1) of Companies Act, 2013.

Accordingly, it is proposed to seek members' approval for the remuneration to be payable to Mr Daulat Jain, Managing Director & CEO for a further period of three years starting from 01.11.2022 to 31.10.2025 in terms of the applicable provisions of the Companies Act 2013, for Companies having inadequate profits. The Board recommends the resolution set forth in Item no 4 for the approval by the shareholders of the Company as *SPECIAL RESOLUTION*.

None of the Directors or Key Managerial Personnel of the Company or their relatives are interested in the resolution set out at item No. 4 of the notice, except Mr Pawan Jain, Chairman & Whole Time Director and Mr Daulat Jain, Managing Director & CEO, who are related to each other and their relatives, are concerned or interested, financially or otherwise, in this Special Resolution except to the extent of their shareholding interest, if any, in the Company.

Item No. 5

SEBI vide its notification dated 9th November 2021 has come up with SEBI (LODR) Sixth Amendments Regulation 2021, in regard to Dealing & Transactions with Related Party, revision in threshold for 'materiality', concept of material modification etc, and 'prior' approval of shareholders for all such material RPTs & subsequent material modification and the same is effective from 01.04.2022 onwards . Further, SEBI issued detailed circular dated 22.11.2021 & 30.03.2022 in regard to disclosure to be made applicability of Regulation 23 on Related party Transaction read with applicable sections of Companies Act 2013 , wherein all material related party transactions and their subsequent material modifications shall require prior approval of the audit committee , board and all material related party transactions, or material modification of the Company require prior approval of the members of the Company through ordinary resolution shareholders. Further the Audit Committee of a Company may also grant omnibus approval for Related Party Transactions, as may be required from time to time, as per criteria laid down in the Companies Rules, and further in line with Company's Related Party Transaction Policy,.

In accordance with Regulation 23 of the SEBI Listing Regulations, "Material Related Party Transaction" means any transaction with a related party if the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover as per the last audited financial statements of the Company.

In terms of amended Regulation 23 of SEBI LODR vide notification dated 09.11.2021 and other applicable provision, Your company on recommendation of Audit committee and approval of Board had taken approval via postal ballot from shareholders on 24.03.2022 in terms of all proposed RPT which may be considered material in FY 2022-2023 and thereafter till FY 2026-27, in supersession of shareholders approval passed earlier on 1st September 2018.

Further, in continuation of Postal ballot resolution passed on 24th March, 2022, the maximum amount sanctioned, as referred to in the said Notice of Postal ballot dated 14th February, 2022 be read as "Maximum Outstanding Amount at any point of time per annum" and be construed accordingly and placed before Shareholders at the ensuing General meeting of the Company.

So, in line with amendments in the Revised Policy on Materiality on Related Party Transactions effective form 01.04.2022, the company may enter into further material Related Party transactions /contracts /arrangement with certain other Promoter/ Group companies for borrowing/availing/providing Loan during the FY 2022-2023 and thereafter upto next 5 FY i.e. till FY 2026-2027 notwithstanding that such borrowings availed /Loan made or to be made/availed individually or taken together with previous borrowings/loan made/ availed by the Company from any one or more such promoter companies during any financial year exceeds ten percent or such other limit as may be specified under the SEBI Listing Regulations or any amendment thereof, of the annual consolidated turnover of the Company as per the last audited financial statements of the Company preceding the respective financial year in which such borrowings/Loan is availed/made by the Company, in ordinary course of Business and at arm's length , and on such terms & conditions as approved by Committee via Circular Resolution on 27th April 2022 & Board of Directors in their meeting held on 17.05.2022 as per limits as mentioned below and placed before shareholders for their approval thereon, since all material related party transactions of the Company require prior approval of the members of the Company through Ordinary Resolution

Your company being non-deposit taking NBFC is engaged in Lending and Investment activities and so the proposed transactions are in interest of the company because company is giving Loan/advances to its group companies for which interest is charged at determined rate. Looking at the volatile market conditions and lower interest rate, obtaining from investing funds in mutual funds/liquid funds, any government bonds/securities/units or fixed deposits of the banks, granting loan to a related party at a favourable interest rate is in the interest of the Company and hence, the same is placed for review. Further, it is noted that the transaction is beneficial for the Company.

The Company does borrow from banks/NBFCs, in compliance with provisions of applicable laws, in its normal course of business, however such borrowings have certain standard restrictive covenants due to which immediate release of funds by the banks/ NBFC sometimes takes longer than expected. Accordingly, to ensure continuity of working capital for operations of the Company, it is proposed to keep the option of availing borrowings from the promoter companies of the Company, in normal course of its business and on arms' length basis, subject to the willingness of the promoter companies. No valuation or external party report has been availed for the proposed Related Party Transaction.

Though the proposed transactions with related parties as per resolution as set out in this notice would be in the ordinary course of business of the Company as mentioned above, the approval of the members of the Company is being sought as per the applicable provisions of the Act and SEBI (LODR) Regulations, 2015, as amended, since the transactions is material in nature as per Regulation 23(1) of the Listing Regulations.

The particulars of transactions proposed to be entered/entered between your company and Related Party is as follows.

Sl No	Name of Related parties	Name of Director or KMP who is related	Nature of relationship	Duration/ Tenure of Proposed Transaction	Maximum Monetary Value outstanding at any point of time per annum (Rs.)	Indicative/ base price/ current contracted price & formula for variation in the price if any	Nature, material terms and particulars of arrangement -interest rate, repayment schedule, nature of security	Any other relevant information
1	Ashika Capital Ltd	Pawan Jain, Chairman Daulat Jain , MD , Sagar Jain , Director	Promoter Group company	5 Years (FY 2022-2023 till FY 2026-2027)	10 Crore	-	Sanction/ Rollover of Secured/Unsecured Loan, Interest charged as per the terms of loan agreement but not lower than 12% pa, In case secured Loan - secured by securities. Repayable on demand	Giving Loan
2	Haridarshan Sales Pvt Ltd	Gaurav Jain, CFO (KMP) Relatives of Pawan Jain & Daulat Jain have indirect control on shareholding of company.	Group company / Related Party	5 Years (FY 2022-2023 till FY 2026-2027)	10 Crore	-	Sanction/ Rollover of Secured/Unsecured Loan, Interest charged as per the terms of loan agreement but not lower than 12% pa, In case secured Loan - secured by securities. Repayable on demand	Giving Loan
				5 Years (FY 2022-2023 till FY 2026-2027)	10 Crore	-	Obtaining working Capital loans or other loans, secured or unsecured, short term or long term, payment of interest as per agreement not below 12% pa, repayment of the loans as per agreed terms, rollover of the loan.	Availing Loan
3	Ashika Investment Managers Pvt Ltd	Mr Pawan Jain, Chairman	Promoter Group company	5 Years (FY 2022-2023 till FY 2026-2027)	5 Crore	-	Sanction/ Rollover of Secured/Unsecured Loan, Interest charged as per the terms of loan agreement but not lower than 12% pa, In case secured Loan - secured by securities. Repayable on demand	Giving Loan

In the opinion of the Audit Committee and the Board, the above-mentioned related party transaction is overall beneficial & in interest of the Company, being your company is engaged in NBFI activities carrying on Financing & Investing activities.

Except Mr. Pawan Jain, Executive Chairman, Mr. Daulat Jain, Managing Director, Mr. Sagar Jain, Independent Director, Mr Gaurav Jain, KMP and their relatives, none of the other Directors or the Key Managerial Personnel of the Company or their relatives are concerned or interested, financially, or otherwise in the resolution as set out at Item No. 5 of the Notice.

No related party will vote to approve the transaction, whether the entity is a related party to the transaction or not.

The Board is of the opinion that the aforesaid related party transaction is in the best interests of the Company and therefore, recommends the Resolution set out at Item No. 5 of the Notice for the approval of the Members as an *ORDINARY RESOLUTION* in terms of the Act and the SEBI (LODR) Regulations, 2015.

ANNEXURE A to the Notice of Annual General Meeting

Statement containing the information as required under, Part-II Section-II of Schedule V to the Companies Act, 2013

I. GENERAL INFORMATION:

Nature Of Industry	Financial Services (RBI registered non deposit taking NBFC)
Date or expected date of Commencement of commercial Production	Not Applicable (Company is an existing company).
In case of new companies expected date of commencement of activities as per project approved by the financial Institutions appearing in the prospectus	Not Applicable
Financial performance based on given indicators:	(Amount in ₹ lakhs)
Foreign Investments or Collaboration if any	Not Applicable

Particulars	Financial year 2021-2022	Financial Year 2020-2021
Total Income	723.46	684.01
Total Expenses	179.20	436.67
Profit /(Loss) before Tax	544.26	247.34
Tax expenses	(193.59)	(83.85)
Net profit after taxation	350.67	163.49

II. INFORMATION ABOUT THE APPOINTEE:

Background Details	Mr. Pawan Jain is the Promoter Director of Ashika Credit Capital Ltd. He laid the foundation of Ashika group with an aim to provide a vast range of financial services to clients from all sections of society. His philosophy of honesty, integrity and transparency has nourished the group. In 1994 he laid the foundation of Ashika group with an aim to provide a vast range of financial services to clients from all sections of society. His over 25 years of long stewardship has helped Ashika flourish and develop into an integrated financial service company. Leadership skills, vigour and a passion for excellence are his tool box, and his ethics of serving the customers through professional acumen has helped the group scale the heights of success. He is the Fellow Member of the Institute of Chartered Accountants of India and has completed the prestigious OPM (Owner/ President Management Program) at Harvard Business School, USA in 2014. He is the Chairman and Whole time Director of the company.	Mr. Daulat Jain is the Co-Promoter & Managing Director of Ashika Credit Capital Ltd. Being a leader from the beginning he has promoted ethics and Corporate Governance as the core strengths of the company. His proficiency and knowledge of Ashika's business has been a cornerstone for the group to aim for newer heights. Mr. Daulat Jain's business acumen has led the business to spread wings and establish an unparalleled distribution network with a strong presence in eastern region of India. Mr. Daulat Jain has over 25 years of experience across a wide array of subjects in the field of Corporate Finance, Investments (Securities Trading & Bought Out Deals), Taxation, Audit and Corporate Laws, Broking & Commodity business has helped the company to achieve its objectives. He holds various social & professional memberships. He is also the Executive Chairman & Managing Director of Ashika Stock Broking Ltd.
Past remuneration	FY 2019-2020 – Rs 170.63 lacs FY 2020-2021 – Nil (Forgo) FY 2021-2022 – Rs 169.11 Lacs	FY 2019-2020 – Rs 13 Lacs FY 2020-2021 – Nil (Forgo) FY 2021-2022 – Rs 12.50 Lacs
Recognition or awards	Ashika Group has been recognized by several awards under their leadership. They have received several memento of love & being always recognized for their unconditional and immense support in the social field	

Job profile and his suitability	He is responsible for overseeing the business of the company. To provide vision guidance and direction for long term growth and overall management control and to formulate plans and strategy for continuance performance & growth of the Company. Mr. Jain plays a major role in providing thought leadership and strategic inputs to the Company in addition to helping shape new business and driving the strategic decision making program in the Company. He has been part of the group since three decades. His current term of appointment as a Whole Time Director of the Company will expire on 31st October 2022. Considering his knowledge of various aspects relating to the Company's affairs and long business experience, the Board of Directors is of the opinion that for smooth and efficient running of the business, the services of Mr. Pawan Jain should be available to the Company	Mr. Daulat Jain's is entrusted with the substantial power and authorities to manage the affairs of the Company. He is the driving force behind the development and overall management of the Company contributing to continuous growth, increased productivity and enhanced quality. His current term of appointment as a Managing Director of the Company will expire on 31st October, 2022. Considering his knowledge of various aspects relating to the Company's affairs and long business experience, the Board of Directors is of the opinion that for smooth and efficient running of the business, the services of Mr. Daulat Jain should be available to the Company.
Remuneration proposed	As mentioned in the explanatory statement for Item nos. 3	As mentioned in the explanatory statement for Item nos. 4
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	Considering the responsibility shouldered by them of the enhanced business activities of the company, proposed remuneration is commensurate with Industry Standard and Board level position held in similar sized and similarity positioned businesses.	
Pecuniary Relationship directly or indirectly with the company, relationship with managerial personnel, if any	Mr. Pawan Jain is brother of Mr Daulat Jain, Managing Director of the company. He is also promoter and/or director of Ashika Credit Capital Ltd. Apart from above Mr Jain has no other pecuniary relationship directly or indirectly with the Company except to the extent of his remuneration and shareholdings (6.64% as Karta of Pawan Jain – HUF) in the Company.	Mr. Daulat Jain is brother of Mr Pawan Jain, Whole Time Director of the company. He is also co-promoter and/or director of Ashika Credit Capital Ltd . Apart from above Mr Jain has no other pecuniary relationship directly or indirectly with the Company except to the extent of his remuneration and shareholdings (3.79%) in the Company.

III. OTHER INFORMATION:

Reasons of loss or inadequate profit	Presently company is having profit but the proposed remuneration is not falling with the limits prescribed under section 197 of Companies Act, 2013 for managerial personnel in aggregate and so it is considered as Inadequate profit . However the same is in line with the Industry Standards for Managerial Personnel falling under the same cadre. However the appointment for a term of years and the profitability of the company will largely depend on business environment in the domestic and global markets cost of inputs and general state of economy as a whole. Therefore, the limits specified under Section 197(1) read with Schedule V of the Companies Act 2013 and the Listing Regulations, may be exceeded during the term of appointment and be considered as Inadequate profit in the company for the year for which remuneration is to be paid.
Steps taken or proposed to be taken for improvement	NA
Expected increase in productivity and profits in measurable terms	NA

IV. DISCLOSURE

The disclosures as required on all elements of remuneration package such as salary, benefits, bonuses, pensions, details of fixed components and performance linked incentives along with performance criteria, service contract details, notice period, severance fees, etc. have been made in the Directors' Report under the Report on "Corporate Governance" attached to in this Annual Report, to the extend required. Further Shareholders of the company are being informed of the details of break up remuneration package of the above managerial personal in the Resolution forming part of the Notice.

ANNEXURE B to the Notice of Annual General Meeting

DETAILS OF THE DIRECTOR SEEKING RE-APPOINTMENT AT THE TWENTY-NINTH 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. Pawan Jain	Mr. Daulat Jain
DIN	00038076	00040088
Date of Birth	13th July 1965	13th July, 1972
Qualification	B.Com (Hons), FCA	B.Com (Hons), FCA
Brief Profile	Mr. Pawan Jain, the Fellow Member of the Institute of Chartered Accountants of India and Chairman of the company is the Founder of Ashika Group. He possesses over three decades of long stewardship and has guided Ashika to flourish and develop into an integrated financial service company. He possesses strong leadership skills, dynamism and a passion for merit to steer Ashika Group into a leading Company in Eastern India. He believes in nurturing a culture that is entrepreneurial, result oriented, client focused and based on teamwork. He leverages his expertise to provide holistic financial services that include NBFC business, Merchant Banking activities, Debt Syndication, Depository services, Broking business to a whopping client base all over India.	Mr. Daulat Jain the Fellow Member of the Institute of Chartered Accountants of India and co-founder of Ashika Group. A leader from the beginning, he has promoted ethics and Corporate Governance, as the core strengths of the company. His visionary thinking and business acumen has led Ashika to spread wings and establish an unparalleled distribution network with a strong franchise support. His experience spanning more than 25 years across a wide array of subjects in the field of Corporate Finance (Inter Corporate Deposits, Short Term Financing, Bill Discounting, Loan Syndication, Arranging Working Capital Finance), Investments (Securities Trading & Bought Out Deals), Taxation, Audit and Corporate Laws has helped the company to achieve its objectives. His expertise and in-depth analysis of the business has been a cornerstone for the Group to aim for newer heights.
Experience	More than 3 decades	More than 25 years
Expertise in specific functional Area	NBFC business, Merchant Banking activities, Debt Syndication, Depository, Broking services	Corporate Finance (ICD, Short Term Financing, Bill Discounting, Loan Syndication, Arranging Working Capital Finance), Investments (Securities Trading & Bought Out Deals), Taxation, Audit and Corporate Laws, Broking and commodity activities.
Remuneration Last drawn (including sitting fee, if any) as per last audited Balance sheet as on 31st March 2022	169.11 Lacs (including perquisite which are not part of ceiling limit of remuneration i.e. contribution made to PF, gratuity, leave travel concession), No sitting fee was paid	12.50 Lacs (including perquisite which are not part of ceiling limit of remuneration i.e. contribution made to PF, gratuity, leave travel concession), No sitting fee was paid
Date of first appointment on the Board	08/03/1994, Appointed as Executive Chairman w.e.f 01.11.2016	08/03/1994, thereafter resigned on 01/05/2013 and once again joined board w.e.f. 14/01/2016. He was further appointed as MD w.e.f 14/11/2016.
Relationship with other Directors / KMP	Mr. Pawan Jain is brother of Mr. Daulat Jain, Managing Director & CEO	Mr Daulat Jain is brother of Mr Pawan Jain, Executive Chairman

Notice

Directorship held in other Companies	❖ Ashika Capital Ltd. ❖ Ashika Global Finance Pvt. Ltd. ❖ Ashika Properties Pvt. Ltd. ❖ Ashika Entercon Pvt. Ltd. ❖ Ashika Global Securities Pvt. Ltd.	❖ Ashika Capital Ltd. ❖ Ashika Global Finance Pvt. Ltd. ❖ Ashika Properties Pvt. Ltd. ❖ Ashika Entercon Pvt. Ltd. ❖ Ashika Wealth Management Pvt. Ltd. ❖ Ashika Logistics Pvt. Ltd. ❖ Ashika Business Pvt. Ltd. ❖ Ashika Stock Broking Ltd. ❖ Ashika Global Securities Pvt. ❖ Puja Sales Promotion Pvt. Ltd. ❖ Ashika Stock Broking IFSC Pvt. Ltd. ❖ Ashika Commodities and Derivatives Pvt. Ltd. ❖ Ivory Consultants Pvt. Ltd.
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)	Nil	Member- CSR Committee- Ashika Stock Broking Ltd.
Number of Equity Shares held in the Company as on 31.03.2022	789000 in capacity of Karta of Pawan Jain – HUF	450,000 Equity shares

Notes

Notes

ASHIKA
GROWING & SHARING WITH YOU

Registered office
Trinity, 226/1, A.J.C Bose Road
7th Floor, Kolkata 700020
T: (033) 40102500, F: (033) 40033254
E: ashika@ashikagroup.com / secretarial@ashikagroup.com
CIN: L67120WB1994PLC062159
W: www.ashikagroup.com

Creative consultants Manjari Enterprises (print@manjari.net)