

## Independent Auditors' Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of Ashika Credit Capital Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 read with General Circular No.15/2013 dated 13th September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1956 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2014;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



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**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with General Circular No.15/2013 dated 13th September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013;
  - e) on the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

Place : Kolkata  
Date : 28<sup>th</sup> April, 2014

For P. K. SAH & ASSOCIATES

Chartered Accountants  
Firm Registration no. 322271E

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



## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
b) As per the information and explanations given to us, the fixed assets of the Company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been found. In our opinion, the frequency of verification is reasonable.  
c) Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.
- (ii) Since the Company does not hold any physical inventories, sub clauses (a) to (c) of the clause (ii) of the said Order are not applicable.
- (iii) a) The Company has not granted loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under section 301 of the Act. Hence, sub clauses (b), (c) & (d) of the clause (iii) of the said Order are not applicable.  
b) The Company has taken unsecured loans from five companies covered in the Register maintained under section 301 of the Act. The maximum amount involved during the year is Rs. 603 Lacs. However entire loan has been repaid during the year. Other than the above, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the Register maintained under section 301 of the Act.  
c) In our opinion, the rate of interest and other terms and conditions on which the said loans have been taken by the Company, were are not, prima-facie, prejudicial to the interest of the Company.  
d) No specific terms for repayment of the above loans have been stipulated, but the same were stated to be repayable on demand by the Company.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of it's business with regard to sale of services. During the year, the company does not have purchase of inventory and fixed asset. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the internal control system of the Company.
- (v) a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under Section 301 of the Act, have been so entered.  
b) In our opinion and according to the information and explanations given to us, the transaction made in pursuance of contracts and arrangements referred to in above and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are prima-facie, reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public within the meaning of the section 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposit accepted from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of it's business.
- (viii) Being a Non- Banking Financial Company, the provisions of clause (viii) of the said Order are not applicable to the Company.
- (ix) (a) According to the records of the Company and explanations given to us, the Company is generally regular in depositing undisputed statutory dues payable in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess or any other material statutory dues, whatever applicable to it, with the appropriate authorities.

There is no undisputed amount payable in respect of such statutory dues, were in arrears as at the Balance Sheet date for a period of more than six months from the date become payable.



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**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT .... Contd.....**

- (b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty or Cess, which have not been deposited as on 31st March, 2014 on account of any dispute.
- (x) The accumulated losses of the Company at the end of the financial year are less than fifty percentage of its net worth. The Company has not incurred cash losses in the current financial year but had incurred cash losses in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. During the year, the Company has not borrowed from financial institutions or by issue of debentures.
- (xii) In our opinion and according to the information and explanations given to us, the Company has maintained adequate documents and records in cases where the Company has granted loans and advances on the basis of security by way of pledge of shares & securities.
- (xiii) Clause (xiii) of the Order is not applicable as the Company is not a chit fund or a nidhi / mutual benefit fund / society.
- (xiv) In respect of dealing in shares, securities and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities and other investments have been held by the Company in its own name, except to the extent of the exemption granted under Section 49 of the Act.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) In our opinion and according to the information and explanations given to us, the Company has neither obtained nor applied any term loans during the year.
- (xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised on short-term basis have not, prima – facie, been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained under Section 301 of the Act.
- (xix) The Company has not issued any debentures during the year and does not have any debentures outstanding as at the year end.
- (xx) The Company has not raised any money through public issue during the year.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year nor we have been informed of any such cases by the management.

Place : Kolkata  
Date : 28<sup>th</sup> April, 2014

For P. K. SAH & ASSOCIATES

Chartered Accountants  
Firm Registration No. 322271E

  
(P. K. SAH, FCA)  
Partner

Membership No. 056216

