

10<sup>th</sup> August 2020

The Listing Department The Calcutta Stock Exchange Limited, 7, Lyons Range, Kolkata-700 001 Scrip Code: 11591 & 10011591	General Manager Department of Corporate Service Bombay Stock Exchange 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
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Dear Sir/Ma'am,

**Sub: Annual Report and Notice convening the 27th Annual General Meeting for the F.Y 2019-2020**

Pursuant to the provisions of Regulation 34(1) and Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereof, please find enclosed herewith a copy of the Annual Report of Ashika Credit Capital Limited ("the Company") for the F.Y. 2019-2020 along with the Notice convening the *twenty-seventh* Annual General Meeting ("AGM") of the members of the Company scheduled to be held on Saturday, the 5th day of September, 2020 from 11:30 a.m. onwards via Video Conferencing (VC)/ Other Audio Visual Means (OAVM). The Annual Report & notice to the *twenty-seventh* AGM for the F.Y. 2019-2020 is also available on the website of the Company at [www.ashikagroup.com](http://www.ashikagroup.com).

In view of the massive outbreak of the COVID-19 pandemic, the Ministry of Corporate Affairs vide Circular no 20/2020 dated 5th May, 2020 read with Circular no. 14/2020 dated 8th April, 2020 and Circular no 17/2020 dated 13th April, 2020 respectively (hereinafter referred to as "MCA Circulars") and SEBI vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020 (hereinafter referred to as "SEBI Circular") has permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, prescribing the procedures and manner of conducting the Annual General Meeting through such VC/ OVAM, and dispensed with the personal presence of members at a meeting held at a common venue.

In compliance with the afore-mentioned MCA Circulars and SEBI Circular, the Annual Report of the Company for FY 2019-2020 and Notice of 27th AGM has been sent through email to all the Members whose email ids are registered with the Company/Depository Participant.

Further, 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 Sunday, 30th August, 2020 to Saturday, 5<sup>th</sup> September, 2020 (both days inclusive).

This is for your information and record.

Thanking you,

For Ashika Credit Capital Limited



Anju Mundhra  
 Company Secretary  
 FCS: 6686



Encl: As above

**Registered Office:**

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



A high-angle photograph of a rowing team in a blue boat on a blue body of water. The rowers are wearing black and yellow gear, and their oars are visible in the water. The boat is moving towards the bottom of the frame.

Ability  
Agility  
Adaptability

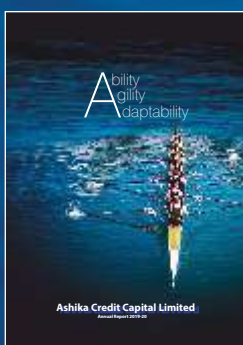
**Ashika Credit Capital Limited**  
Annual Report 2019-20



## Read between the Covers:

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## Notice for Annual General Meeting



What does the theme signify?

The cover and inside corporate overview section resembles the true spirit of sportsmanship. A team and its players are always committed to better their own, learn from their mistakes, adapt to challenges and tread forward with their ability & agility to set new benchmarks and deliver their best.

## Safe Harbour

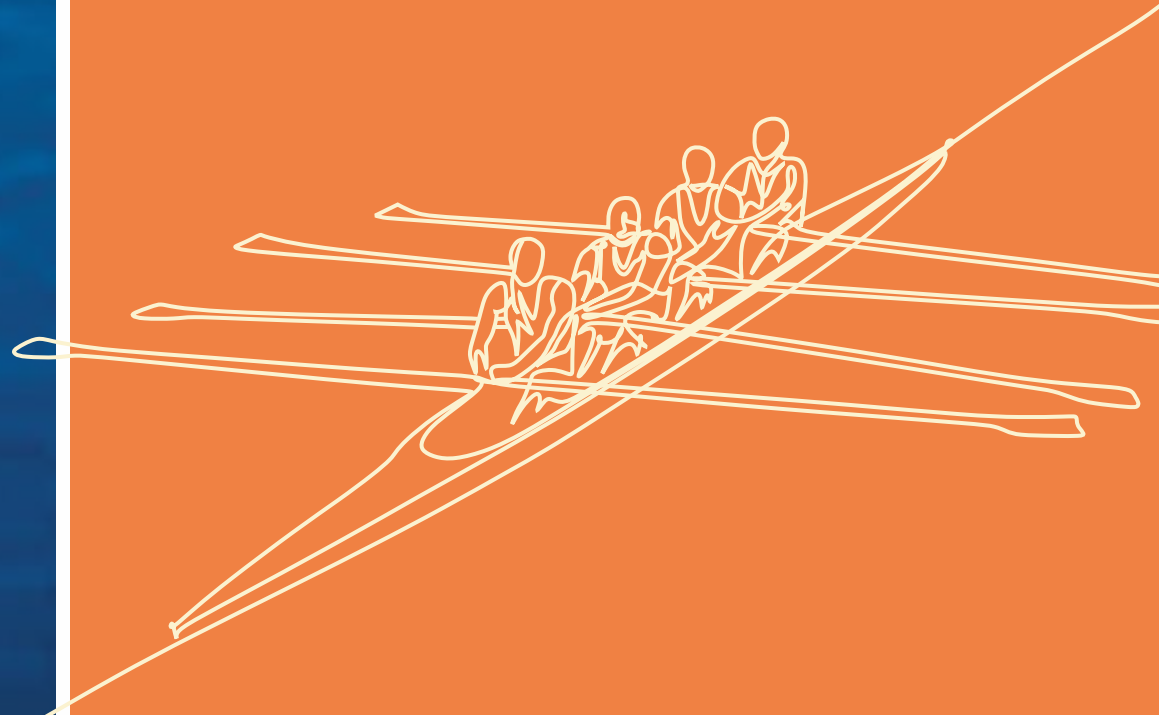
In this Annual Report, we have disclosed forward looking information to enable investors to comprehend our prospect and take inform investment decisions. This report and other statement- written and oral-that be periodically make, may content forward- looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as "anticipates," "estimates", "expects". "projects", "intends", "plans", "believes" and words of similar substance in connection with any discussion of future performance.

"Ashika Credit Capital Limited" cannot guarantee that these forward looking statements will be realized, although we believe we have been prudent in our assumption. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialized, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

## Transformation never ends and so do adaptability

Ever seen a rowing game?  
Ever thought how the team  
in the game faces various  
headwinds and still adapt to  
the situation with its ability  
and agility to get the  
winning streak.

**Ability, Agility, Adaptability** focuses on the Management's and its team bandwidth to drive the organization in a correct direction amid the challenging times. We continue to create value by providing fund based activities to our customers. Our people propel our growth on the virtue of their industry experience and expertise. We love to row in choppy waters, face the competition and drive a sustainable business for our clients, investors, employees & other associated stakeholders and adapt ourselves towards upcoming opportunities.





## Ashika Credit Capital Limited, an attractive proxy of the India's financial services sector.

The sectorial slowdown and the global pandemic transpired concurrently.

The company is confronting these unique challenges through honesty and determination of purpose.

With the objective of returning the company to its pristine profitability in the shortest possible time and capitalise on a sectorial rebound on the other.



**Vision:** To be a globally recognized financial advisor, 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.

**Core values:** Our core values are influenced by our past, tempered by our present and will shape our future. They are an amalgamation of what we have been, what we are and what we want to do.



**Customer first:** We exist and prosper only because of the customer. We will respond to the changing needs and expectations of our customers speedily, courteously, and effectively.



**Quality focus:** Quality is the key to delivering value for money to our customers. We will make quality a driving value in our work, in our product and in our interactions with others.



**Dignity of the individual:** We will value individual dignity, uphold the right to express disagreement and respect the time and efforts of others.



**Professionalism:** We have always sought the best people for the job and given them the freedom and the opportunity to grow. We will continue to do so. We will support innovation and well-reasoned risk rating, but will demand professionalism.



**Good corporate citizenship:** As in the past, we will continue to seek long-term success, which is in alignment with our country's needs. We will do that without compromising ethical business standards.

# Ashika Credit Capital Limited, at a glance

**Background:** For more than 2 decades, Ashika Credit Capital Limited, Flagship Company of Kolkata based Ashika Group, a RBI-registered non-deposit-taking non-banking financial company, is engaged in a gamut of financial services which includes fund-based activities like providing loans and advances, inter corporate deposits, loans against securities and investments in shares and securities. The Company's services are available to individuals, corporate and financial institutions throughout India. Your company shares are traded at BSE and listed with CSE & MSEI. It floated its shares to public in 2000.

**Lineage:** The Company is headed and promoted by Mr. Pawan Jain and Mr. Daulat Jain. They possess a rich experience of more than 25 years in the Finance and service industry. Over the years, they have taken the Company to newer heights and the Company has emerged as one of the most trusted financial services providers with a strong presence in Eastern India.

**Multi-client tele:** The Company is always willing to go extra mile, keep a close connect at every point, right from the time when the customers approach us to much after, with speedy solutions. The Company continues to focus on increasing transparency in its dealings, educating and creating awareness among customers through various modes of communication and enhancing their confidence. These pillars of strength have helped the Company in building its customer base and extending its reach to other parts of India.

## Performance Dashboard

(For the FY 2019-20)

Interest on Loans  
₹ **691.16** Lakhs

Finance Cost  
₹ **46.20** Lakhs

Debt:Equity  
**0**



BSE Ticker

590122

MSEI Ticker

ASHIKA

CSE Ticker

11591 & 10011591

ISIN No.

INE094B01013

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## Ashika Group structure

Ashika Credit Capital Limited

Ashika Capital Limited

Ashika Global Securities Pvt Ltd

Ashika Wealth Advisor Pvt Ltd

Ashika Commodities & Derivatives Pvt Ltd

Ashika Investment Managers Pvt Ltd

Ashika Stock Broking Ltd

Ashika Stock Broking (IFSC) Pvt Ltd



## Chairman's Message



*Dear Shareholders,*

The year 2020 has been one of the most challenging years we have seen in our recent times. While the world is still confronting one of the greatest health hazards of our generation, my heart goes to all the individuals, including healthcare workers and first responders, most deeply hit by the COVID-19 crisis. It has not only impacted the economic balance the world over, it has also changed the way we live. While we sincerely hope the suffering will end soon, at the same time, we are prepared to live the emerging 'new normal' way of living and approaching our normal life with safety measures.

The first nine months of FY 2019-20 saw a volatile, uncertain, ambiguous and complex business environment. There was a slowdown in investments, consumption pattern as well as global trade. The Government periodically announced measures to combat the slowdown and encourage consumption. NBFC segment had its own set of challenges with respect to liquidity and funding. Just when things started normalising, COVID-19 put a complete halt to the economic activities across India. Government announced a series of lockdowns to contain the spread. The economy was impacted by this pandemic with a complete slowdown across the industrial and services sectors. The NBFC

segment was not spared either. With regular business activities coming to a halt, it became difficult for the borrowers to meet their EMI commitments. As a relief measure, RBI granted moratorium for three months on payments of all EMIs falling due between March 1, 2020 and May 31, 2020. It was further extended by three months as the situation in May 2020 did not show encouraging signs of improvement.

At Ashika, we took immediate measures to ensure safety and well-being of our employees and implemented the 'work from home' policy. They were provided with adequate infrastructure and requirements to ensure minimalistic disruption to the otherwise smooth operating business.

**At Ashika, we took immediate measures to ensure safety and well-being of our employees and implemented the 'work from home' policy.**

On an operational front, I am happy to state that we did not face any liquidity challenges owing to our prudent and resilient business model. Our strategies were aligned to the market situations and we continued to focus on building a good quality lending portfolio, with an equal attention to recoveries and lower NPAs. The pandemic however did have an impact on our performance as we had to record higher provisioning of NPAs as a part of conservative approach and to comply by regular RBI directives. We also had to oblige to the moratorium requests of our clients. As a result, the Company reported a loss of ₹ 253.93 lacs for the FY 2019-20. Our loan book size also reduced during the year, leading to lower interest income of ₹ 691.16 lacs. On a positive side, we became a zero debt company, as we paid off all our outstanding loans, thus bringing down our finance cost to ₹ 46.20 lacs in 2019-20, as against ₹ 743.01 lacs in 2018-19.

Some of the numbers reflect external forces beyond our control. We are completely uncertain about the future of this pandemic and we strongly hope for quicker development of vaccine to combat this. We will however always run Ashika with the notion that we must be prepared to be resilient and durable through any and every kind of environment we face. These challenges have pushed us to set new benchmarks and standards not only for ourselves, but also for the industry. Through all these efforts, we are committed to prepare your company for the future and deliver sustainable value for our various stakeholders, including yourselves.

People are the Company's key assets and the focus in FY 2019-

20 continued to be development, enhancing capabilities and employee engagement, aimed towards driving performance excellence in changing and challenging times. The Company's people agenda focuses on building distinctive capabilities which allows it to deliver in the short term and develop new capabilities for the future.

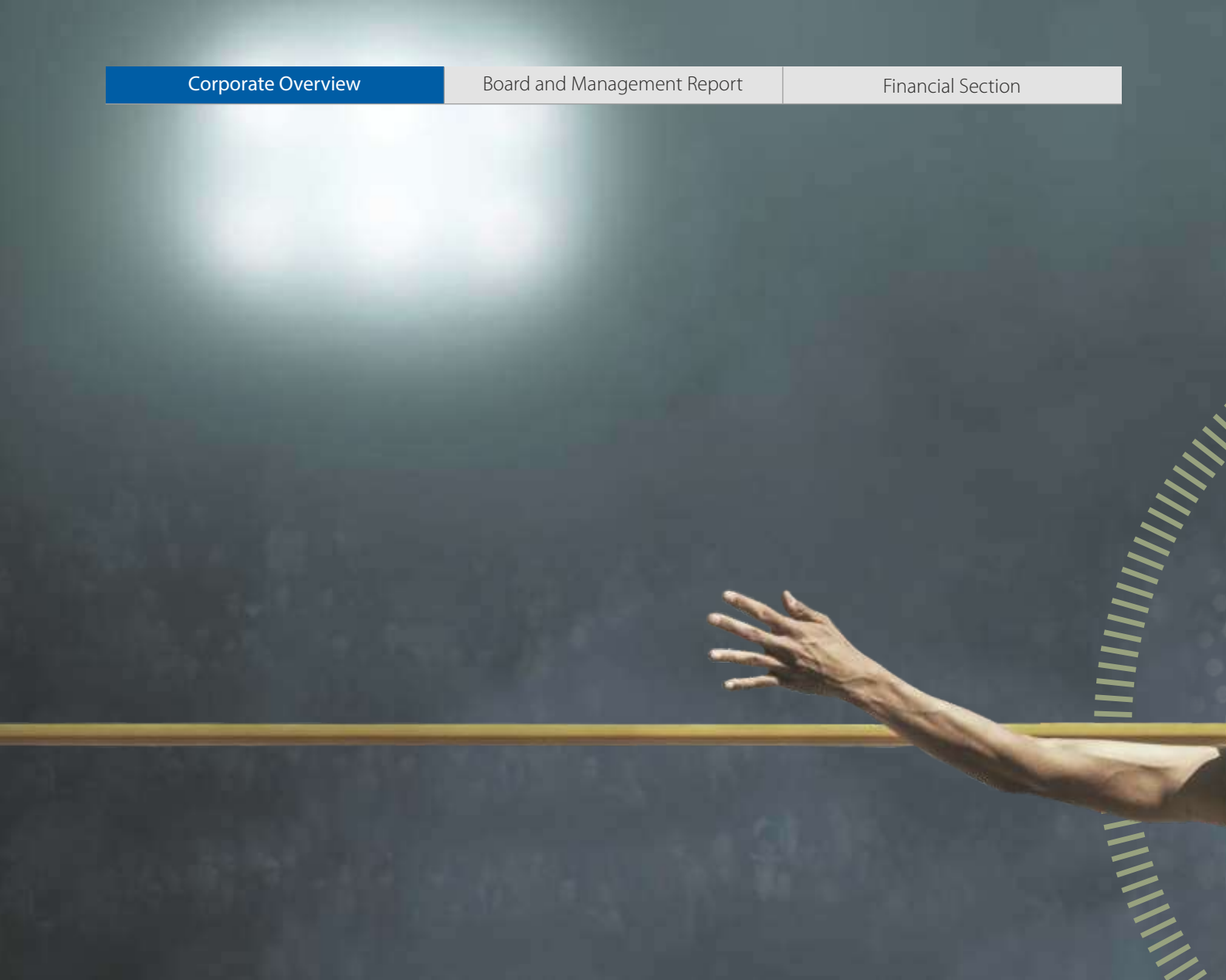
While the past two years have been quite difficult for the economy and the NBFC segment in particular, the long term future looks bright. I am optimistic that once the COVID-19 crisis dies down, we will be in a position to capitalise on all the opportunities that we have worked on over the past year. Given the underlying potential of the NBFC segment and its ability to reach out to the underserved sections of the society, we are hopeful of continuing our good work in the long term. We believe that once this pandemic storm eases, India could actually lead the global recovery, as it is likely to be less impacted and also benefit from business shifts from other countries. The Government's focus on making our nation 'self-dependent' and the related measures undertaken under the 'Aatmanirbhar Bharat Abhiyan' package augurs very well for the long-term prospects of our country.

Your Company will continue to work towards creating enduring value for its stakeholders and customers by converting challenges into opportunities. We continue to rely on your whole-hearted support as we pledge to drive your company to a bigger tomorrow of performance and success.

**Pawan Jain**  
Chairman

**Our strategies were aligned to the market situations and we continued to focus on building good quality lending portfolio, with an equal attention to recoveries and lower NPAs.**





## Ability to sustain vicious business cycle

During uncertain times, it's seen that NPA's tend to rise. Instead of outlaying the books we put up a task of maintaining the quality so as when the market rebounds, we remain at the forefront.

Over the years, the Company addressed the inherent paradox as well as lending to the MSME section without compromising book quality – through checks and balances that mitigated default possibilities. The strength of the Company's systemic robustness was showcased during a challenging 2019-20. Even



as the Indian economy faltered to 4.2%, NBFC sector reporting an overall decline, economic activities coming down to a standstill and RBI introducing a slew of measures to tide over COVID crisis, the Company continued to protect the integrity of its Balance Sheet. The Company took a major step by putting more

provisions for NPAs and obliging its customer requirements for moratorium on EMI's.

**As a result although lending reduced on a y-o-y basis but the Company also came out of blues and became a debt free Company.**



# Agility and responsible action through sound governance practices

Ashika Credit Capital Ltd went into business at a time when much of India's financing business was largely unorganised. The Company was created with the vision to inspire stakeholder trust through credible action.

## Board composition

At Ashika, we have showcased our governance commitment through the Board composition. Of the Five (5) Board members, three (3) are Independent and two (2) are Executive / Whole-time Directors giving a perfect balance in the Board. The promoters are actively involved in the day to day functioning of the business and are well guided by professionals heading various departments.

## Compliance

At Ashika, we always recognise that we are in a business where a large amount of in-bound funds comes from various institutions on one hand and

outflow to varied customers on the other. Thus it always makes a critical juncture to mobilise and deploy funds in a responsible manner. As an extension, the country's NBFC segment is also well regulated by the RBI. Thus, as a responsible corporate citizen, it makes us a duty to comply with all regulatory requirements.

## Ethical governance for customers

At Ashika, we have created governance standards which immensely benefit the customers. We are of the belief that if processes and system benefits the primary interest of the customers, the resulting benefit will in generate a smooth allay that will make it possible for

us to service the varied and ever emerging needs of our various stakeholders (lenders, employees, community, government and country).

## Responsible corporate

At Ashika, while it may appear that we are in the business of mobilisation and deployment of funds with a focus on profit generation, but the reality is different. We see ourselves as agents of prosperity engaged in the transformation by providing timely financing to businesses and individuals for income generating and business expansion activities. We also acknowledge the responsibility to use loans with prudence and meet repayment obligations on schedule to our lenders.



### Targets

At Ashika, pursuit of growth is always given preference, but to meet such targets our managers are never pressurised to perform at any cost. We always try to understand various ground realities and transform opportunities into results through intrinsic stimulation. The motivation to excel comes not as much from a numerical target but from an ethically embedded environment.

**We always aim to build a multi-ethnic organization focusing on the highest standards of governance practices and improved stakeholders return.**





## Adaptability and diversity, need of the hour

Our journey, over two decades, is characterised by determination, prudence and resilience; and FY 2019-20 put these tenets to test. We optimized & recalibrated our lending strategies and strengthened our underwriting standards. We leveraged our operating model and capabilities to deliver greater value to customers.

The Indian economy witnessed a cyclical

slowdown due to muted private consumption, a contraction in manufacturing and sluggish investments. The Government of India announced a series of counter-cyclical measures to revive the economy, with the Reserve Bank of India (RBI) complementing an accommodative policy stance for most parts of the year. However, any prospects of a recovery were nipped in the bud with

the outbreak of the novel coronavirus (COVID-19). In order to enhance the pace of recovery and minimise the impact of COVID-19 on the economy, the RBI announced a slew of measures to infuse liquidity in the system and keep interest rates lower for longer. Central government also made a special announcement to infuse liquidity through Atma Nirbhar Bharat Abhiyan. Infusing liquidity amongst the hand

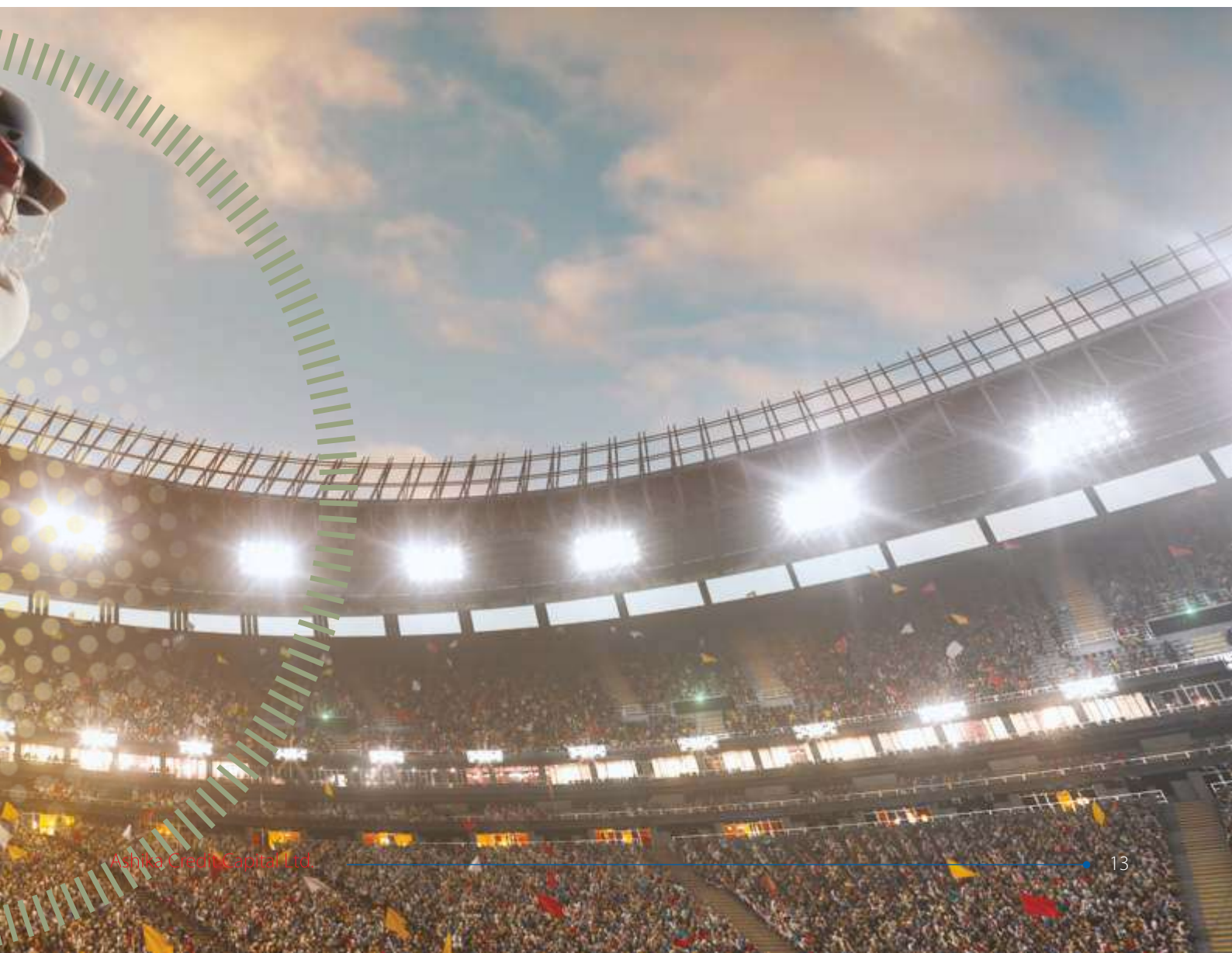


of MSMEs and small business owners and other slew of relief measures augurs well for the NBFC sector.

Adapting to such situations we aim to diversify and widen our product basket and start micro-lending thereby offering small ticket size loans to individuals and corporates. We believe that most small time business owners are trustworthy; if given the opportunity, many first-generation entrepreneurs with small skillsets, will work harder; if

shown the way, they will justify the faith of their creditors. This product diversification is going to insulate the Company from a temporary weakness in one segment and reduce our product concentration risk.

**We aim to evolve from one business segment to many.**





## BOARD'S REPORT

Dear Shareholders,

The Board of Directors are pleased to present the Company's 27th Annual Report covering its' business and operations, together with the audited financial statements (standalone) for the financial year ended March 31, 2020.

### 1. FINANCIAL HIGHLIGHTS:

(Amount in ₹ Lacs )

Financial results for the year ended	March 31, 2020	March 31, 2019
Total Income	713.88	1807.29
Profit/ (Loss) before tax	(351.74)	1156.99
Less: Tax Expenses	(97.81)	311.98
Profit / (Loss) for the year	(253.93)	845.01
Other Comprehensive Income/(Loss) for the year , net of Income Tax	0.20	0.72
Total Comprehensive Income	(253.73)	845.73

### 2. STATE OF COMPANY AFFAIRS:

The year 2019-2020 has proven to be a tough year in the Global economy. The word economic slowdown has deeply impacted the business cycle all across the country and specially for Lender. Regardless of this your company has not faced any liquidity crisis but had learned to focus on being prudent and building robust model. Your company has adopted solid business model for the coming years to calibrate the overall market dynamic and approaching with new strategies in lending and parallel has proven teams that can drive profitability.

The year 2019-2020 was not a good year for the company in terms of revenue and profit, it has booked Loss of ₹ 253.93 Lacs for the year ended 31st March 2020, largely because of provisioning of higher NPA in books, as the company has taken conservative approach due to Covid 19 and as per RBI regulatory norms issued from time to time. Company's Loan book size has reduced during the year 2020 as compared to its previous year and accordingly Interest income has also reduced to ₹ 691.16 Lacs for the year 2019-2020. On the other hand the finance cost has drastically reduce to ₹ 46.20 Lacs during the year 2019-2020 as compared to ₹ 743.01 Lacs in its previous FY. Your company is a zero debt company as on 31st March 2020.. We believe that we will acknowledge these losses as speed bumps on our runway to future success.

Your directors has strategically decided that till the NPA are resolved to a satisfactory level, the company will focus more on loan recoveries and strategically will proceed in lending . Your Board is unsatisfied with the quality of our Loan book size and is working exclusively on collection from borrower for speedy recovery. We are happy to have picked up positive momentum on that front. Our endeavor is to create a legal and collection robust enough to withstand any size of a loan book.

### RE-COMMENCEMENT OF TRADING OF SECURITIES AT BSE

Pursuant to BSE notice no 20190617-15 dated 17th June 2019, the trading in securities of the company was re-commenced at BSE platform w.e.f. 25.06.2019, in terms of the arrangement with CSE and upon compliance of the Exchange's requirements .

### 3. COVID 19

Since the first quarter of CY 2020, the Covid-19 pandemic has impacted most of the countries, including India. Owing to the outbreak of COVID-19 and the related directives received from the Central & State governments, lockdown was announced with adoption of quarantine measures. This has largely affected the economic activity. The Indian economy has been impacted by this pandemic with contraction in industrial and services industries.

Your company immediately took measures for the safety and well being of the employees and adopted "work from home" policy for all employee providing them proper infrastructure and other requirements, so that there would be very little or minimal disruption of services to the clients. As of March 31, 2020, work from home was enabled to employees to work remotely and securely. The Registered, branch and corporate office of the company was closed since initial lockdown was announced i.e. 24.03.2020.

The impact of the Covid-19 pandemic on the company's result and operation is depended on future development of this pandemic and remains uncertain at this point of time . The company is able to manage its liquidity position and shall continue to focus on its lending business during this period.

In accordance with the COVID -19 Regulatory package announced by the Reserve Bank of India on March 27, 2020, wherein on all terms loan, NBFC is permitted to grant a moratorium period of three months on payment of all installments falling



## **BOARD'S REPORT (Contd.)**

due between March 1, 2020 and May 31, 2020 to its borrowers/customers, whosoever has requested for the same. However, interest on the Loan outstanding will keep getting levied for the deferred or moratorium period. The asset classification of term loans which are granted the aforesaid moratorium relief shall be determined on the basis of revised due dates and the revised repayment schedule. Your company has framed a policy titled as " Moratorium Policy – COVID 19" on granting moratorium period for three months and the facility is provided to the clients who have requested for the same and updated the said policy on the website of the company.

SEBI vide its various circulars has granted relaxation in compliance requirements for reporting by listed entities to exchanges as required under SEBI (LODR) Regulation due to COVID 19 Pandemic. Further SEBI vide its circular issued dated 20.05.2020 on " Advisory on disclosure of material impact of CoVID–19 pandemic on listed entities under SEBI(LODR) Regulation 2015, noted that due to such a lockdown and disruption is unforeseen and beyond the control of the entities, such events can lead to distortions in the market due to the gap in information available about the operations of a listed entity. So, all listed entities were required to ensure that all available information about the impact of COVID 19 & Lockdown on the company and its operations to be communicated in a timely and cogent manner to its investors and stakeholders.

### **3. CHANGE IN NATURE OF BUSINESS:**

There has been no change in nature of business of the company during the F.Y. 2019-2020. 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 incurred loss during the year under review and so Board of Directors has decided not to recommend any dividend for the year ended 31st March 2020..

### **TRANSFER TO UNPAID DIVIDEND ACCOUNT**

Pursuant to Section 124 of Companies Act 2013 read with the relevant rules, if any, the final dividend which has been declared by the Company in its' Annual General Meeting held on 9th August, 2019 for Financial Year 2018-2019 has been duly paid to its' members on 17th August, 2019. As per the provisions of the Companies Act, 2013, the unpaid/ unclaimed dividend amount has been transferred to the Unpaid Dividend Account within the prescribed time.

### **5. CHANGES IN SHARE CAPITAL:**

The Authorized Share Capital of your Company as on March 31, 2019 stands at ₹ 20,25,00,000/- divided into 2,02,50,000 equity shares of ₹ 10/- each. The Issued & subscribed Share Capital of your Company is ₹ 11,88,61,740/- divided into 1,18,86,174 equity shares of ₹ 10/- each and the Paid-up Share Capital is ₹ 11,88,00,000/- divided into 1,18,80,000 equity shares of ₹ 10/- each, fully paid-up..

During the Financial Year 2019-2020, vide its' Board meeting dated 9th August, 2019 your company has made allotment of 540,000 equity shares to promoter group, M/s Ashika Global Securities Private Limited, issued pursuant to exercise of conversion of balance 540000 convertible warrants into equal number of equity shares under preferential allotment basis.

Apart from the above, during the year under review, the Company has not issued any other shares with differential voting rights, sweat equity shares nor granted any stock options and neither came out with rights, bonus or private placement.

The Company had allotted 10,80,000 convertible warrants on preferential basis to promoter group, M/s Ashika Global Securities Pvt Ltd, as approved by the shareholders at Extra Ordinary General Meeting held on 26.03.2018 and out of the said 540,000 warrants were converted into equity shares on 05.08.2018 and the balance 540,000 shares were converted into equity shares on 09.08.2019. The company had received 25% of upfront money (i.e ₹ 9/- per warrant) i.e ₹ 97,20,000/- on the date of allotment of the Warrants and the balance consideration i.e. 75% of the total consideration ( i.e ₹ 27/- per warrant) i.e. ₹ 2,91,60,000 was received by the Company at the time of allotment of equity shares issued pursuant to conversion of such warrant by the warrant holder.

The Company has duly utilized the proceeds of the aforesaid allotment money to meet general business requirements addressing Working Capital needs as well as expansion of Business activities i.e. the manner as specified in the explanatory statement of the notice of general meeting dated 22.02.2018 and there has been no deviation in utilization of proceeds pursuant to Regulation 32 of SEBI (LODR) Regulations, 2015.

## BOARD'S REPORT (Contd.)

### 6. TRANSFER TO RESERVE:

Your Directors do not propose to transfer any amount to the Reserves or to statutory reserves u/s 45 IC of RBI Act, 1934 for the year ended March 31, 2020, as your company has incurred loss for the year ended 31.03.2020.

### 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 Listing Regulations and provisions of the Articles of Association of the Company. The Board duly possesses requisite skills such as expertise, experience, wisdom and so on.

During the year, there stood changes in the composition of the Board of the company wherein pursuant to the recommendation of the Nomination & Remuneration Committee, Ms. Sonu Jain (DIN: 07267279) was appointed as an Additional Director of the Company to hold office as an Independent Director for a period of 3 (three) consecutive years w.e.f. April 1, 2019 subject to the approval of the shareholders in the ensuing Annual General Meeting (AGM). Further, at the 26th AGM of the Company, her appointment as Non Executive Independent Director of the Company, not liable to retire by rotation, was ratified by the consent of the requisite number of shareholders.

In this regard, your Company issued formal letter of appointment to the Independent Directors stating inter alia the terms and conditions of their appointment in the Company. Your Company had duly received, within the requisite time period, individual notices from Members pursuant to Section 160 of the Companies Act, 2013, signifying their intention to propose the candidatures of Ms. Sonu Jain, for the office of Director.

At the 26th AGM, with the approval of the Members, Mr. Pawan Jain (DIN: 00038076) was re-appointed as the Chairman cum Whole-time Director of the Company for a period of three consecutive years with effect from November 01, 2019. Also, Mr. Daulat Jain (DIN: 00040088) was re-appointed as the Managing Director & CEO of the Company for a period of three consecutive years with effect from November 01, 2019. In terms of Section 152(6) of the Companies Act, 2013 read with the Articles of Association of the Company, the period of office of both Mr Pawan Jain and Mr. Daulat Jain shall be liable to retire by rotation.

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

Mr. Sagar Jain (DIN: 00392422) was appointed as Independent Director of the Company at the 21st Annual General Meeting of the Company held on September 2, 2014, for a term of five (5) consecutive years w.e.f. 1st April 2014. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors had proposed his re-appointment for a second term of five (5) consecutive years at the 26th AGM w.e.f. 1st April 2019 and the same was duly approved by Members by way of special resolution at the 26th AGM of the Company. In this regard, your Company has issued formal letter of re-appointment to the Independent Director stating inter alia the terms and conditions of their re-appointment in the Company

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees if any and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board /Committee of the Company...

None of the Directors of the Company is disqualified for being appointed as Director, as specified under Section 164(2) of the Companies Act, 2013 and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014. Necessary Resolution(s) along with disclosure(s) / information(s) in respect of the directors seeking appointment /re-appointment at the ensuing AGM has been annexed to the Notice convening the ensuing AGM. In terms of Schedule V of SEBI Listing Regulations, 2015 and amendments thereof, your Company has identified the list of core skills/expertise/competencies which are required in the context of the Company's business(es) and sector(s) for it to function effectively and those which are actually available with the Board.

Details of such skills/expertise/competencies identified along with the names of the directors who possess the core skills/expertise/competencies are furnished in the Corporate Governance Report which forms part of the Board's Report.

## **BOARD'S REPORT (Contd.)**

### **INDEPENDENT DIRECTORS**

Your Company has received declaration from each of the 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. Along with the aforementioned declarations, The Board has also received a declaration from each of the independent directors of the Company that they comply with Rule 6(1) and Rule 6(2) of the Companies (Appointment & Qualification of Directors) Rules, 2014 and amendments thereof.

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.

The Company has adopted requisite steps towards the inclusion of the names of all Independent Directors in the data bank maintained with the Indian Institute of Corporate Affairs, Manesar ('IICA'). Accordingly, the Independent Directors of the Company have registered themselves with the IICA for the said purpose. In terms of Section 150 of the Act read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014 and amendments thereof, the Independent Directors are required to undertake online proficiency self-assessment test conducted by the IICA within a period of one (1) year from the date of inclusion of their names in the data bank. The Board of Directors further confirm that the Independent Directors shall meet the criteria of proficiency in terms of Rule 8 of the Companies (Accounts) Rules, 2014 (as amended).

The Board of Directors confirms that the Independent Directors 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 March 31, 2020.

### **FAMILIARIZATION PROGRAMME**

Over the years, the Company has developed a robust familiarization process for the newly appointed Directors with respect to their roles and responsibilities. The process has been aligned with the requirements under the Act, and other related regulations.

In terms of Regulation 25(7) of SEBI Listing Regulations, 2015, your Company endeavors to familiarize the Independent Directors (IDs) about your Company including nature of industry in which your Company operates, the business structure of your Company, roles, rights and responsibilities of IDs and any other relevant information.

The details of familiarization programme conducted for Independent Directors during the year, are available on your Company's website and can be accessed at [https://ashikagroup.com/pdf/familiarization\\_programme/familiarization-programme-2019-2020.pdf](https://ashikagroup.com/pdf/familiarization_programme/familiarization-programme-2019-2020.pdf).

As part of the familiarization process, the IDs are provided with necessary documents, reports and company's policies to enable them to understand and acquaint with the Company's procedures and practices. The Directors are also updated on the changes in relevant corporate laws relating to their roles and responsibilities as Directors.

### **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. During the year under review Mr Amit Jain, CFO, has resigned from the post of CFO w.e.f closure of business hours of 09.08.2019 and in his place Mr Gaurav Jain has been appointed as CFO to take over the responsibility w.e.f. 10.08.2019. The following directors/executives of your Company 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 (reappointed for a further period of three (3) years w.e.f. 01.11.2019)
- Mr. Daulat Jain- Managing Director and Chief Executive Officer (CEO) (reappointed for a further period of three (3) years w.e.f. 01.11.2019)
- Mr. Gaurav Jain- Chief Compliance Officer (CFO)
- Ms. Anju Mundhra- Company Secretary and Compliance Officer



## BOARD'S REPORT (Contd.)

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

Regular Meetings of the Board and its Committees are held to discuss and decide on various business policies, strategies, financial matters and other businesses. 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 short 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.

During the year under review, five board meetings were held on: April 22, 2019, August 9, 2019, September 11, 2019, December 10, 2019 and January 31, 2020. The Board have passed Resolution by Circulation dated 1st April 2019. The maximum interval between any two meetings did not exceed 120 days.

### 9. EXTRACT OF ANNUAL RETURN:

The extract of Annual Return as on the Financial Year ended on March 31, 2020 in Form No. MGT-9 as required under Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 is set out as 'Annexure I' to the Board's Report and forms part of this Annual Report. The same can also be accessed at the website of the Company at [www.ashikagroup.com](http://www.ashikagroup.com) and is available at the link [https://ashikagroup.com/pdf/annual\\_return/annual\\_return\\_2019-2020.pdf](https://ashikagroup.com/pdf/annual_return/annual_return_2019-2020.pdf)

### 10. BOARD COMMITTEES:

The Company has constituted mandatory Board-level committees with 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. Stakeholders Relationship Committee
- IV. Corporate Social Responsibility Committee

In addition of the above the Board has composed other committees as per RBI norms and other internal committee for the ease of carrying on business with Board members and KMP like Finance Committee, Asset –Liability Management Committee, Share Transfer committee.

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.

### NOMINATION & REMUNERATION POLICY

Your Board has adopted a Nomination & Remuneration Policy for identification, selection and appointment of Directors, Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs) of your Company. The Policy provides criteria for fixing remuneration of the Directors, KMPs, SMPs as well as other employees of the Company and enumerates the powers, roles and responsibilities of the Nomination and Remuneration Committee.

The Nomination & Remuneration Policy of the Company aims to attract, retain and motivate qualified personnel of the Company and seeks to employ people who not only fulfill the eligibility criteria but also have the attributes needed to fit into the corporate culture of the Company. The remuneration policy seeks to provide well-balanced and performance-related packages, taking into account industry standards and relevant regulations. Your Board, on the recommendations of the Nomination and Remuneration Committee, appoints Director(s) of the Company based on his / her eligibility, experience and qualifications and such appointment is approved by the Members of the Company at the ensuing General Meetings. Independent Directors of the Company are appointed who hold their office for a maximum term of upto five consecutive years on the Board of your Company. Based on their eligibility for re-appointment, the outcome of their performance evaluation and the recommendation by the Nomination and Remuneration Committee, the Independent Directors may be re-appointed by the Board for another term of five consecutive years, subject to approval of the Members of the Company. The relationship of remuneration to performance is clear and meets appropriate performance benchmarks The Policy provides criteria for fixing remuneration of the Directors, KMPs, SMPs, functional heads as well as other employees, of the Company. This remuneration

## **BOARD'S REPORT (Contd.)**

policy also governs criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178 of Companies Act 2013 and regulation 19 of SEBI (LODR) Regulations and amendments thereof. The criteria for the selection of candidates for the above positions cover various factors and attributes, which are considered by the Nomination & Remuneration Committee and the Board of Directors while selecting candidates. The Company pays remuneration to Independent Directors by way of sitting fees and Non-Executive Non-Independent Directors of your Company do not accept any sitting fees. Remuneration to Directors is paid within the limits as prescribed under the Companies Act, 2013 and the limits as approved by the Members of the Company, from time to time. Any revision in the remuneration package of KMP, SMP are approved by Nomination & Remuneration committee and Board.

The Nomination & Remuneration policy is available at the website of the Company at [www.ashikagroup.com](http://www.ashikagroup.com) at the link at <https://ashikagroup.com/pdf/policies/ACCL-Nomination-and-Remuneration-Policy.pdf>

### **11. FORMAL ANNUAL EVALUATION:**

Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with rules made thereunder, Regulation 17(10) of the SEBI Listing Regulations and the Guidance note on Board evaluation issued by SEBI vide its circular dated January 5, 2017, the Company has carried out evaluation of the annual performance of its Directors, Chairman, the Board as a whole, as well as the evaluation of the working of its Audit, Nomination & Remuneration, Stakeholders Relationship and Corporate Social Relationship Committees and also for the Directors individually through self-assessment and peer assessment. The criteria applied in the evaluation process are explained in the Report on Corporate Governance, which forms part of the Annual 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 Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Board's Report and are marked as 'Annexure II'.

A statement containing the information of top ten employees in terms of remuneration drawn and particulars of every employee of the Company, who was in receipt of remuneration not less than the limits specified under Section 197(12) of the Companies Act, 2013 read with Rules 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subsequent amendments thereto, is provided in a separate annexure forming part of this report

Further, the Annual Report is being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection and any Member interested in obtaining a copy of the same may write to the Company Secretary.

### **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 terms of Section 139 of Companies Act, 2013 read with the provisions of the Companies (Audit and Auditors) Rules, 2014 and amendments thereof, at the 24th Annual General Meeting (AGM) of your Company held in the year 2017, M/s. Haribhakti & Co. LLP, Chartered Accountants, having Firm Registration No. 103523W / W100048 was appointed as Statutory Auditors of your Company 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 29th AGM of your Company to be held in the year 2022 subject to ratification of such appointment by the Members at every AGM held thereafter.

Pursuant to changes made in the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 by the MCA vide notification dated May 7, 2018, the proviso to Section 139(1) of the Companies Act, 2013 read with explanation to sub-rule 7 of Rule 3 of the Companies (Audit and Auditors) Rules, 2014, the requirement of ratification of appointment of Auditors by the Members at every AGM has been withdrawn. Therefore, the resolution seeking ratification of the Members for their appointment is not being placed at the ensuing Annual General Meeting (AGM).

Your Company has received communication from M/s Haribhakti & Co LLP, Chartered Accountants confirming their eligibility

## BOARD'S REPORT (Contd.)

to continue as Auditors of the Company in terms of the provisions of Section 141 of the Companies Act, 2013 and the Rules framed thereunder. Pursuant to the regulation 33 of the SEBI (LODR), the Statutory Auditors peer review certificate as issued by the Peer Review Board of the ICAI is due for review on 17.05.2020. It was placed by Statutory Auditor that that ICAI has made announcement on Extension of validity of Peer Review Certificate in the wake of COVID -19 spurt across the country, wherein Option B is applicable to our Firm as we have already submitted the declaration form and hence, the validity of our existing Peer Review Certificate is extended by one (1) year from the date of validity of the last issued certificate (i.e. 17.5.2020).

There is no qualification, reservation or adverse remark made by the Auditors in their Reports to the Financial Statements, they have placed an unmodified opinion on the Financials for the company for the year ended 31st March 2020. In the Audit Report under "Emphasis of Matter" attention is drawn to note no 38 to the Ind AS Financial, which explains that the classification of assets overdue but standard as on February 29, 2020 and where moratorium benefit has been granted, the staging of those accounts as on March 31, 2020 is based on the days past due status as on February 29, 2020, which will remain at a standstill during the moratorium period, in accordance with the Reserve Bank of India COVID-19 Regulatory Package. Further, the Company considers that all the assets are recoverable. Also, 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. The Auditors opinion in the aforesaid matter is not modified.

During the year under review, neither the statutory auditors nor the secretarial auditors 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:

Pursuant to the provisions of Section 204 of the Companies Act 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed M/s. M R & Associates, Practicing Company Secretaries, as its secretarial auditor to undertake the secretarial audit for FY 2019-2020. The Secretarial Audit Report certified by the Secretarial Auditors, in the specified form MR-3 is annexed herewith and forms part of this report as 'Annexure III'. The Secretarial Audit Report for the financial year ended March 31, 2020 does not contain any qualification, reservation, adverse remarks or disclaimer.

Furthermore, the Secretarial Auditor 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) (Amendment) Regulations, 2018 and same has been intimated to the stock exchanges within the stipulated time and there stood no qualification reported by the Secretarial Auditor.

### 15. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

Your Company has formulated a Whistle Blower Policy incorporating the provisions relating to Vigil Mechanism in terms of Section 177 of the Companies Act, 2013, Regulation 22 of SEBI Listing Regulations, 2015 and amendments thereof, and Regulation 9A (6) of SEBI Prohibition of Insider Trading) (Amendment) Regulations 2018 in order to encourage Directors and Employees of your Company to report any issue of genuine concerns regarding unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics policy or in appropriate functioning of the organization which is impacting and compromising with the interest of your Company and its stakeholders in any way. Your Company is committed to adhere to highest possible standards of ethical, moral and legal business conduct and to open communication and to provide necessary safeguards for protection of employees from reprisals or victimisation, for whistle blowing in good faith.

The Policy provides direct access to the Chairman of the Audit Committee. No person has been denied an opportunity to have access to the Audit Committee Chairman. The said policy is available on the website of the Company [www.ashikagroup.com](http://www.ashikagroup.com) and can be accessed at the link <https://ashikagroup.com/pdf/policies/ACCL-Vigil-Mechanism-Policy.pdf>

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

### 16. RISK MANAGEMENT POLICY:

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. Pursuant to section 134(3)(n) of Companies Act 2013 and Regulation 17(9) of SEBI (LODR) Regulations, 2015, the Company has developed and implemented a risk management policy which is periodically reviewed by the management. The risk management framework encompasses practices relating to identification, assessment, monitoring and mitigation of various risks to key business objectives. Besides



## **BOARD'S REPORT (Contd.)**

exploiting the business opportunities, the risk management process seeks to minimise adverse impacts of risk to key business objectives. The Audit Committee has additional oversight in the area of financial risks and controls. Your Company has developed robust systems and embraced adequate practices for identifying, measuring and mitigating various risks – Business, Market, Strategic, Operational, Credit, Human Resource, Interest, Regulation & Compliance, Liquidity and ensuring that they are contained within pre-defined threshold levels.

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

### **17. CORPORATE SOCIAL RESPONSIBILITY:**

Pursuant to Section 135 of the Companies Act, 2013 and the relevant rules made thereunder, the Board has constituted Corporate Social Responsibility (CSR) Committee. The CSR Committee of the Company consists of 3 Directors as its' members, Chairman being Independent Director. The composition of the committee and other details are mentioned in the Corporate Governance Report which forms part of this Annual report.

The Company confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company. The Company has a CSR Policy in place which aims to ensure that the Company continues to conduct business in a true, fair and ethical manner and takes up the responsibility to create a good impact in the society it belongs, while recognizing the interests of all its stakeholders. The objective of the Company is to strive for economic development with minimal resource footprint. It takes up CSR projects/programmes through which contribution can be made directly by the Company or through a registered trust/ Section 8 company, 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. The Company will prefer to take up projects for spending the amount earmarked for CSR at local areas and areas where the Company operates. The said CSR Policy has been uploaded on the Company's website at [www.ashikagroup.com](http://www.ashikagroup.com) and is available at the web link <https://ashikagroup.com/pdf/policies/ACCL-CSR-Policy.PDF>

Your Company spent an amount of ₹ 11,51,000/- during the financial year 2019-2020 as against its 2% obligation (i.e. 2% of Average Net Profits of the Company for the preceding three financial years) of ₹ 11,49,000 /- for the said FY.

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Regulations, 2014, a report on CSR Activities, in the prescribed format, is annexed to this Board's Report, marked as Annexure IV in this Report.

### **18. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION**

Due to COVID 19 pandemic, the entire country is under lock down since 24th March 2020, which has largely affected the economy of the country. Further the company has implemented the COVID 19 -Regulatory package announced by the Reserve Bank of India on March 27, 2020 for NBFCs, Bank, AIFIs, wherein moratorium period was granted to borrowers/ customers on payments of installments ( principal/interest)for term loan falling due between March 1, 2020 and May 31, 2020. Thereafter RBI vide its notification dated 23.05.2020 further permitted to extend the moratorium by another three months i.e. from June 1, 2020 to August 31, 2020 on payment of all installments. Though Interest shall continue to accrue on the outstanding portion of the term loans during the moratorium period.

Due to the aforesaid measures taken by the company in lieu of the RBI notification, the company may face higher credit risk and even higher provisioning due to the relatively new accounting norm — Indian Accounting Standards (Ind-AS), because provisioning under Ind-AS, known as expected credit loss (ECL), is ascertained based on the expectations of future credit losses, rather than incurred losses followed under GAAP (generally accepted accounting principles). So the financial position of the company as on date of signing this report could not be ascertained now. So, the company is not able to determine whether there has been any material changes and commitments, affecting the financial position of the Company, which has occurred between the end of the financial year for the Company, i.e. March 31, 2020 and the date of this Report.

Due to on-going Covid 19 pandemic and its overall effect on the Global economy, the present situation demands that the company should maintain a razor-sharp focus on operating cost and fixed costs and avoid unnecessary and perhaps, unproductive overheads. In view of the same a good initiative had been taken by both Mr Pawan Jain, Executive Chairman and Mr Daulat Jain, Managing Director for the year 2020-2021. They both has forgo their remuneration for the FY 2020-2021 from the company and Mr Pawan Jain would receive Re. 1/- only as remuneration. This will strive to improve the earning capacity of our business. The contribution by and Mr Pawan Jain & Mr Daulat Jain will make this happen and bring about material change in the financial position of the company.

## BOARD'S REPORT (Contd.)

### 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 were no such significant material orders passed by the Regulators / Courts/ Tribunals and no litigations outstanding, which would impact the going concern status and future operations of your Company.

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 :

The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which is 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 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 neither made any Investments nor given any Guarantee or provided any Security during the year under review.

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:

Being a non-deposit taking Company, your Company has not accepted any deposits under Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 during the year and within the meaning of the provisions of the Non-Banking Financial Companies (Acceptance of Public Deposits) (Reserve Bank) Directions, 2016.

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

All the related party transactions of your Company are entered in the ordinary course of business and are on arm's length basis and are in compliance with the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, 2015 and amendments thereof.

There are no materially significant transactions entered into by your Company with Promoters, Directors or Key Managerial Personnel (KMPs), which have potential conflict with the interest of your Company at large. Your Company has not entered into any material related party transactions with any of its related parties during the FY 2019- 2020 pursuant to section 188 (1) of Companies Act 2013 read with rules thereon. Further all material related party transactions entered pursuant to the definition of "material" as per regulation 23 of SEBI (LODR) 2015 and amendments thereof have/ shall be placed for approvals before the shareholders.

All Related Party Transactions of your Company had prior approval of the Audit Committee and the Board of Directors, as required under the Listing Regulations. Subsequently, the Audit Committee and the Board have reviewed the Related Party Transactions on a quarterly basis. Since all related party transactions entered into by your Company were in the ordinary course of business and were on an arm's length basis, Form AOC-2 is not applicable to your Company. Members may refer to the notes to the financial statements for period ending March 31, 2020 for details of related party transactions.

The Policy on Related Party Transactions as reviewed by the audit committee and approved by Board of Directors has been posted on the Company's website at <https://ashikagroup.com/pdf/policies/ACCL-RPT-Policy.pdf>

### 24. CORPORATE GOVERNANCE REPORT:

The Board of Directors of the Company reaffirms their continued commitment to good corporate governance practices. Your Company has always practiced 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,

## **BOARD'S REPORT (Contd.)**

the Annual Report of the Company for the Financial Year 2019-2020 contains a separate section on Corporate Governance as well as Management Discussion and Analysis (MDA) Report and a Certificate from the Secretarial Auditors of your Company confirming compliance with the requirements of Corporate Governance.

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

Your Company is an equal employment opportunity company and is committed to creating a healthy working environment that enables employees to work without fear of prejudice and gender bias. Your Company provides a work environment which ensures that every woman employee is treated with dignity, respect and equality. There is zero-tolerance towards sexual harassment and any act of sexual harassment invites serious disciplinary action.

In terms of provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, your Company has duly adopted its Group Policy and has also complied with the provisions relating to the constitution of Internal Complaints Committee (ICC). The Policy is meant to sensitize the employees about their fundamental right to have safe and healthy environment at workplace

Your Company affirms that during the year under review adequate access was provided to any complainant who wished to register a complaint under the Policy. During the year under review, your Company has not received any complaints on sexual harassment from any of its' employees. The group sexual harassment policy is uploaded on the website of the company at [www.ashikagroup.com](http://www.ashikagroup.com) at the given link at <https://ashikagroup.com/pdf/policies/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 Companies 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 2019-2020. 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. BOARD DIVERSITY**

The Company recognizes the importance of a diverse board structure in its growth and development. The Board of the Company consists of individuals having varied skill sets, industry experience, background and gender diversity which brings expertise and viewpoints that in turn adds to the overall strength of the Company. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors.

### **30. 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 2020, 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 2020 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



**BOARD'S REPORT (Contd.)**

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.

**31. ACKNOWLEDGEMENTS:**

The Directors express their deep sense of gratitude to the Central and State Governments and acknowledge the excellent support and co-operation received from exchanges, its bankers, business partners and other stakeholders and place on record their sincere appreciation to its employees for their continued co-operation in realisation of the corporate goals in the years ahead.

For and on behalf of the Board of Directors

Place : Kolkata  
Date : 15.06.2020

**(PAWAN JAIN)**  
Chairman  
DIN: 00038076

**(DAULAT JAIN)**  
Managing Director  
DIN: 00040088

## ANNEXURE I TO THE BOARD'S REPORT

Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31<sup>st</sup> March, 2020  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

1.	<b>CIN:</b>	L67120WB1994PLC062159
2.	<b>Registration Date:</b>	08/03/1994
3.	<b>Name of the Company</b>	Ashika Credit Capital Ltd.
4.	<b>Category / Sub-Category of the Company:</b>	Public Limited company / Indian Non Government Company
5.	<b>Address of the Registered office and contact details:</b>	Trinity, 226/1, A.J.C.Bose Road, 7th Floor, Kolkata- 700020 , Tel : ( 033) 40102500, fax : (033) 40102543 Email id- secretarial@ashikagroup.com Website : www.ashikagroup.com
6.	<b>Whether listed company Yes / No</b>	Yes
7.	<b>Name, Address and Contact details of Registrar and Transfer Agent, if any –</b>	M/s. Maheshwari Datamatics Pvt Ltd 23, R.N.Mukherjee Road, 5th floor Kolkata - 700001 Tel : 033-22482248, 2243-5029 Fax : 033-22484787 Email id- mdpldc@yahoo.com

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Non Banking Financial Services	64990	100

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable section
1	N.A	N.A	N.A	N.A	N.A

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 01, 2019)				No. of Shares held at the end of the year (As on March,31, 2020)				%Change during the year
	Demat	Physical@	Total	% of Total Shares	Demat	Physical	Total@	% of Total Shares	
A. PROMOTERS									
(1) Indian									
a) Individual/HUF	1239000	-	1239000	10.9259	1239000	-	1239000	10.4293	(0.4966)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	2673699	-	-	23.5776	3411274	-	3411274	28.7144	5.1368
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	<b>3912699</b>	<b>-</b>	<b>3912699</b>	<b>34.5035</b>	<b>4650274</b>	<b>-</b>	<b>4650274</b>	<b>39.1437</b>	<b>4.6402</b>

## ANNEXURE I TO THE BOARD'S REPORT (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 01, 2019)				No. of Shares held at the end of the year (As on March,31, 2020)				%Change during the year
	Demat	Physical@	Total	% of Total Shares	Demat	Physical	Total@	% of Total Shares	
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>3912699</b>	-	<b>3912699</b>	<b>34.5035</b>	<b>4650274</b>	-	<b>4650274</b>	<b>39.1437</b>	<b>4.6402</b>
<b>B. PUBLIC SHAREHOLDING</b>	-	-	-	-	-	-	-	-	-
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others Alternate Investment Funds	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investors	100000	-	100000	0.8818	100000	-	100000	0.8417	(0.0401)
Provident Funds / Pension Funds	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>100000</b>	-	<b>100000</b>	<b>0.8818</b>	<b>100000</b>	-	<b>100000</b>	<b>0.8417</b>	<b>(0.0401)</b>
2.Non -Institutions	-	-	-	-	-	-	-	-	-
a)Bodies Corp.	3800930	85000	3885930	34.2675	2956622	85000	3041622	25.6029	(8.6646)
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual Share-holders holding nominal share capital upto ₹ 1 Lacs	222048	32257	254305	2.2425	217664	30257	247921	2.0869	(0.1556)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lacs	3175492	-	3175492	28.0026	3837138	-	3837138	32.2991	4.2965



## ANNEXURE I TO THE BOARD'S REPORT (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 01, 2019)				No. of Shares held at the end of the year (As on March,31, 2020)				%Change during the year
	Demat	Physical@	Total	% of Total Shares	Demat	Physical	Total@	% of Total Shares	
c) Others (specify)									
• Clearing Member	11509	-	11509	0.1015	2980	-	2980	0.0251	(0.0764)
• Non Resident Individual	65	-	65	0.0006	65	-	65	0.0005	(0.0001)
<b>Sub-total (B)(2):-</b>	<b>7210044</b>	<b>117257</b>	<b>7327301</b>	<b>64.6147</b>	<b>7014469</b>	<b>115257</b>	<b>7129726</b>	<b>60.0145</b>	<b>(4.6002)</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>7310044</b>	<b>117257</b>	<b>7427301</b>	<b>65.4965</b>	<b>7114469</b>	<b>115257</b>	<b>7229726</b>	<b>60.8563</b>	<b>(4.6402)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>11222743</b>	<b>117257</b>	<b>11340000</b>	<b>100</b>	<b>11764743</b>	<b>115257</b>	<b>11880000</b>	<b>100</b>	<b>Nil</b>

@ Company has the issued 540000 Equity shares pursuant to option exercised for conversion of 540000 convertible warrants into equal number of equity and so the Paid up Share capital of the company has increased during the year.

### (ii) Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year (1 <sup>st</sup> April, 2019)			Share holding at the end of the year (31 <sup>st</sup> March, 2020)			%change in Share -holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	
1	Pawan Jain(HUF)	789000	6.9577	Nil	789000	6.6414	Nil	(0.3163)
2	Ashika Commodities & Derivatives Pvt Ltd#	Nil	Nil	Nil	197575	1.6631	Nil	1.6631
3	Ashika Global Securities Pvt Ltd ##	1066799	9.4074	Nil	3213699	27.0513	Nil	17.6439
4	Ashika Share Trading Pvt Ltd@@	770000	6.7901	Nil	Nil	Nil	Nil	(6.7901)
5	Ashika Hedge Fund Pvt Ltd@@	836900	7.3801	Nil	Nil	Nil	Nil	(7.3801)
6	Pawan Jain *	Nil	Nil	Nil	Nil	Nil	Nil	Nil
7	Daulat Jain *	450000	3.9682	Nil	450000	3.7879	Nil	(0.1803)
	<b>Total</b>	<b>3912699</b>	<b>34.5035</b>	<b>Nil</b>	<b>4650274</b>	<b>39.1437</b>	<b>Nil</b>	<b>4.6402</b>

# M/s. Ashika Commodities & Derivatives Pvt Ltd was included in the Promoter Group of the Company during March 2020

## 540,000 shares allotted to M/s Ashika Global Securities Pvt Ltd upon conversion of balance 540,000 convertible warrants on 09.08.2019.

@@ Hon'ble NCLT, Kolkata, vide its' Order dated 14th January, 2020 has approved the Scheme of Amalgamation of Ashika Hedge Fund Private Limited (AHFPL), Ashika Share Trading Private Limited (ASTPL) and Ashika Venture Capital Private Limited(AVCPL) (Transferor Companies) with Ashika Global Securities Private Limited (AGSPL) (Transferee Company). Pursuant to the said merger, 770000 shares held by ASTPL and 836900 shares held by AHFPL in Ashika Credit Capital Limited have been transferred to AGSPL. Merger effected on 13.02.2020

\*Promoter Director

**ANNEXURE I TO THE BOARD'S REPORT (Contd.)****(iii) Change in Promoters' Shareholding**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	• Pawan Jain – HUF	789000	6.9577	789000	6.9577
	• Ashika Hedge Fund Pvt Ltd	836900	7.3801	836900	7.3801
	• Ashika Share Trading Pvt Ltd	770000	6.7901	770000	6.7901
	• Ashika Global Securities Pvt Ltd	1066799	9.4074	1066799	9.4074
	• Pawan Jain	Nil	Nil	Nil	Nil
	• Daulat Jain	450000	3.9682	450000	3.9682
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	<p>M/s. Ashika Commodities &amp; Derivatives Pvt Ltd was included as the Promoter Group of the Company upon purchasing 197575 equity shares of the Company (1.6631%) of Face value of Rs. 10/- each, fully paid up, between 17.03.2020 till 20.03.2020 through open market.</p> <p>Further, on, 09.08.2019, an allotment of 540000 equity shares were made to Ashika Global Securities Private Limited, pursuant to conversion of balance 540000 convertible warrants into equal number of equity shares held under preferential allotment.</p> <p>Hon'ble NCLT, Kolkata, vide its' Order dated 14th January, 2020 has approved the Scheme of Amalgamation of Ashika Hedge Fund Private Limited (AHFPL), Ashika Share Trading Private Limited (ASTPL) and Ashika Venture Capital Private Limited(AVCPL) (Transferor Companies) with Ashika Global Securities Private Limited (AGSPL) (Transferee Company). Pursuant to the said merger, 770000 shares held by ASTPL and 836900 shares held by AHFPL in Ashika Credit Capital Limited have been transferred to AGSPL. Merger effected from 13.02.2020 i.e. date of filing of Form INC-28 with ROC, Kolkata</p>			
	At the End of the year				
	• Pawan Jain – HUF	789000	6.6414	789000	6.6414
	• Ashika Commodities & Derivatives Pvt Ltd	197575	1.6631	197575	1.6631
	• Ashika Global Securities Pvt Ltd	3213699	27.0513	3213699	27.0513
	• Pawan Jain	Nil	Nil	Nil	Nil
	• Daulat Jain	450000	3.7879	450000	3.7879

## ANNEXURE I TO THE BOARD'S REPORT (Contd.)

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

SI No	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No of Shares	% of total shares of the company
1	Globe Capital Market Limited #				
	April 01, 2019	300000	2.6455		
	28/06/2019 - Transfer	-90000	0.7937	210000	1.8519
	30/06/2019 - Transfer	-180000	1.5873	30000	0.2646
	05/07/2019 - Transfer	-30000	0.2646	0	0.0000
	19/07/2019 - Transfer	8000	0.0705	8000	0.0705
	02/08/2019 - Transfer	8000	0.0705	16000	0.1411
	09/08/2019 - Transfer	-8000	0.0673	8000	0.0673
	16/08/2019 - Transfer	-199	0.0017	7801	0.0657
	11/10/2019 - Transfer	-7801	0.0628	0	0.0000
	18/10/2019 - Transfer	30000	0.2415	30000	0.2415
	25/10/2019 - Transfer	-10000	0.0842	20000	0.1684
	01/11/2019 - Transfer	-20000	0.1684	0	0.0000
	07/02/2020 - Transfer	10000	0.0842	10000	0.0842
	14/02/2020 - Transfer	-10000	0.0842	0	0.0000
March 31, 2020	0	0.0000	0	0.0000	
2	Aamara Capital Pvt Ltd				
	April 01, 2019	410000	3.6155	-	-
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease		No change		
March 31, 2020	410000	3.4512	410000	3.4512	
3	Trident Distributors Private Limited #				
	April 01, 2019	184462	1.6266	-	-
	22/11/2019 - Transfer	-184462	1.5527		
March 31, 2020	-	-	-	-	
4	Apex Commotrade Private Limited				
	April 01, 2019	340000	2.9982	-	-
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease		No change		
March 31, 2020	340000	2.8620	340000	2.8620	
5	Atul Jain (HUF) *				
	April 01, 2019	-	-	-	-
	11/10/2019 - Transfer	10000	0.0805	10000	0.0805
	18/10/2019 - Transfer	22000	0.1771	32000	0.2576
	25/10/2019 - Transfer	47000	0.3956	79000	0.6650
	01/11/2019 - Transfer	10000	0.0842	89000	0.7492
	08/11/2019 - Transfer	27000	0.2273	116000	0.9764
	22/11/2019 - Transfer	6000	0.0505	122000	1.0269
	29/11/2019 - Transfer	23000	0.1936	145000	1.2205
	06/12/2019 - Transfer	10000	0.0842	155000	1.3047
	13/12/2019 - Transfer	15000	0.1263	170000	1.4310
March 31, 2020	170000	1.4310	170000	1.4310	
6	Swetambari Tradecom Private Limited				
	April 01, 2019	259786	2.2909	-	-
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease		No change		
March 31, 2020	259786	2.1868	259786	2.1868	



## ANNEXURE I TO THE BOARD'S REPORT (Contd.)

SI No	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No of Shares	% of total shares of the company
7	Spice Merchants Private Limited				
	April 01, 2019	214675	1.8931	-	-
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease	No change			
8	Tulsi Kumar Dugar				
	April 01, 2019	170000	1.4991	-	-
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease	No change			
9	Rishabh Dugar #				
	April 01, 2019	165000	1.4550	-	-
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease	No change			
10	Gyanchand Surajmal Mehta				
	April 01, 2019	360000	3.1746	-	-
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease	No change			
11	Rachita Dugar				
	April 01, 2019	165000	1.4550	-	-
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease	No change			
12	Seema #				
	April 01, 2019	451185	3.9787		
	05/04/2019 - Transfer	15390	0.1357	466575	4.1144
	28/06/2019 - Transfer	-140135	1.2358	326440	2.8787
	19/07/2019 - Transfer	-16514	0.1456	309926	2.7330
	02/08/2019 - Transfer	-8000	0.0705	301926	2.6625
	09/08/2019 - Transfer	-40000	0.3367	261926	2.2048
	16/08/2019 - Transfer	-20000	0.1684	241926	2.0364
	06/09/2019 - Transfer	-450	0.0036	241476	1.9443
	13/09/2019 - Transfer	-40000	0.3221	201476	1.6222
	20/09/2019 - Transfer	-6500	0.0523	194976	1.5699
	18/10/2019 - Transfer	-73000	0.5878	121976	0.9821
	25/10/2019 - Transfer	-65000	0.5471	56976	0.4796
	20/12/2019 - Transfer	-26525	0.2233	30451	0.2563
	27/12/2019 - Transfer	-2503	0.0211	27948	0.2353
	31/12/2019 - Transfer	-5000	0.0421	22948	0.1932
	03/01/2020 - Transfer	-22948	0.1932	0	0.0000
	06/03/2020 - Transfer	9926	0.0836	9926	0.0836
	13/03/2020 - Transfer	11166	0.0940	21092	0.1775
	20/03/2020 - Transfer	73846	0.6216	94938	0.7991
	27/03/2020 - Transfer	11202	0.0943	106140	0.8934
	March 31, 2020	106140	0.8934	106140	0.8934

## ANNEXURE I TO THE BOARD'S REPORT (Contd.)

SI No	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No of Shares	% of total shares of the company
13	Jinendra Kumar Jain *				
	April 01, 2019	-	-	-	-
	26/07/2019 - Transfer	283210	2.4974	283210	2.4974
	March 31, 2020	283210	2.3839	283210	2.3839
14	Pushpanjali Credit Resources Ltd *				
	April 01, 2019	145000	1.3426	-	-
	24/05/2019 - Transfer	90000	0.7937	90000	0.7937
	21/06/2019 - Transfer	90000	0.7937	180000	1.5873
March 31, 2020	180000	1.5152	180000	1.5152	
15	Khushal Jain *				
	April 01, 2019	-	-	-	-
	01/11/2019 - Transfer	21500	0.1810	21500	0.1810
	08/11/2019 - Transfer	20000	0.1684	41500	0.3493
	15/11/2019 - Transfer	56852	0.4786	98352	0.8279
	22/11/2019 - Transfer	33148	0.2790	131500	1.1069
	29/11/2019 - Transfer	84358	0.7101	215858	1.8170
	06/03/2020 - Transfer	-432	0.0036	215426	1.8134
	13/03/2020 - Transfer	-104	0.0009	215322	1.8125
	20/03/2020 - Transfer	-309	0.0026	215013	1.8099
March 31, 2020	215013	1.8099	215013	1.8099	

(Note : There has been change in % of holding as on 31<sup>st</sup> March 2020 in compared to 1<sup>st</sup> April 2019 due to fresh allotment of shares during the FY)

\* Not in the list of Top 10 shareholders as on 01/04/2019. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2020.

# Ceased to be in the list of Top 10 shareholders as on 31/03/2020. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2019.

### (v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Directors and KMP	Shareholding at the beginning of the year 01/04/2019		Shareholding at the end of the year 31/03/2020	
	Name of Director / KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Pawan Jain, Executive Chairman and Whole-time Director#	-	-	-	-
2	Mr. Daulat Jain, Managing Director & CEO	450000	3.9682	450000	3.7879
3	Ms. Suparna Sengupta	Nil	Nil	Nil	Nil
4	Ms. Sonu Jain*	Nil	Nil	Nil	Nil
5	Mr. Sagar Jain	Nil	Nil	Nil	Nil
6	Ms. Anju Mundhra, CS	Nil	Nil	Nil	Nil
7	Mr. Gaurav Jain – CFO **	Nil	Nil	Nil	Nil
8	Mr Amit Jain – CFO	Nil	Nil	Nil	Nil

# holding 789000 shares in capacity of Karta of Pawan Jain (HUF)

\* appointed w.e.f. 01.04.2019 as Non-Executive Independent Director (Additional)

\*\* appointed w.e.f. 10.08.2019 as CFO in place of Mr. Amit Jain

**ANNEXURE I TO THE BOARD'S REPORT (Contd.)****V. INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment** (Amount in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	Nil	16,83,00,000	Nil	16,83,00,000
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>Nil</b>	<b>16,83,00,000</b>	<b>Nil</b>	<b>16,83,00,000</b>
Change in Indebtedness during the financial year				
• Addition	Nil	1,05,00,000	Nil	1,05,00,000
• Reduction	Nil	(17,88,00,000)	Nil	(17,88,00,000)
<b>Net Change</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
Indebtedness at the end of the financial year				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount ₹
		Pawan Jain, WTD	Daulat Jain, MD & CEO	
1	Gross salary	1,70,63,429 @	13,00,008 @	1,83,63,437
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission -as % of profit -Other, specify	-	-	-
5	Other, please specify	-	-	-
	<b>Total (A)</b>	<b>1,70,63,429</b>	<b>13,00,008</b>	<b>1,83,63,437</b>
	Ceiling as per the Act	As per Part II, section II Proviso of Schedule V as prescribed under Companies Act 2013.		

@ inclusive of PF contribution & others.



## ANNEXURE I TO THE BOARD'S REPORT (Contd.)

### B. Remuneration to other directors:

Sl. No	Particulars of Remuneration	Name of Directors			Amount(₹)
		Sagar Jain	Suparna Sengupta	Sonu Jain*	Total
1.	Independent Directors				
	• Fee for attending board	1,00,000	80,000	1,00,000	2,80,000
	• Committee meetings	55,000	30,000	55,000	1,40,000
	• Commission	-	-	-	-
	<b>Total(1)</b>	<b>1,55,000</b>	<b>1,10,000</b>	<b>1,55,000</b>	<b>4,20,000</b>
2.	Other Non-Executive Directors				
	• Fee for attending board	-	-	-	-
	• Committee meetings	-	-	-	-
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>1,55,000</b>	<b>1,10,000</b>	<b>1,55,000</b>	<b>4,20,000</b>
	Total Managerial Remuneration	No Remuneration is paid			
	Overall Ceiling as per the Act	No Commission or other remuneration apart from sitting fees is being paid to Non Executive Directors.			

\* appointed w.e.f. 01.04.2019 as Non-Executive Independent Director (Additional)

### C. Remuneration to key managerial personnel other than MD/Manager/WTD

Sl. No	Particulars of Remuneration	Key Managerial Personnel			Amount (₹)
		Amit Jain, CFO @	Gaurav Jain, CFO @	Anju Mundhra, CS	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,40,575	8,17,946	14,01,116	28,59,637
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	-as % of profit				
	-Other, specify				
5.	Other, please specify	-	-	-	-
	<b>Total (A)</b>	<b>6,40,575</b>	<b>8,17,946</b>	<b>14,01,116</b>	<b>28,59,637</b>

@ remuneration is for part of the year

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

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

For and on behalf of the Board of Directors

Place : Kolkata  
Date : 15.06.2020

**(PAWAN JAIN)**  
Chairman  
DIN: 00038076

**(DAULAT JAIN)**  
Managing Director  
DIN: 00040088

## ANNEXURE II TO THE BOARD'S REPORT

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

- (i) The ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company for the financial year 2019-20 along with the percentage increase in Remuneration of each Executive Director and Key Managerial Personnel (KMP) during the financial year 2019-2020

Name of the Directors & KMP with Designation	% of Increase in Remuneration of Directors, KMP in FY 2019-2020	Ratio of the remuneration of each director /KMP to median remuneration of the employee
Mr. Pawan Jain, Executive Chairman & WTD	66.66	16.05
Mr. Daulat Jain, Managing Director & CEO	0.20	1.22
Mr Amit Jain, Chief Financial Officer (c)	Nil	Nil
Ms Anju Mundhra, Company Secretary	1.94	1.32
Mr Gaurav Jain, Chief Financial Officer (b)	Nil	Nil

#### Note:

- a) The Independent Directors of the Company are entitled to sitting fee as per companies Act 2013. 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.
- b) Mr. Gaurav Jain was appointed in the current Financial Year (w.e.f. 10.08.2019), and hence the percentage of increase of remuneration in his case is not comparable with that of the previous year.
- c) Mr. Amit Jain was CFO only for part of the current year (Resigned w.e.f. close of business hours on 9th August 2019), and hence the percentage of increase of remuneration in his case is not comparable with that of the previous year.
- d) Percentage increase in remuneration for executive director indicates annual total remuneration increase, as recommended by the Nomination and Remuneration Committee and duly approved by the Board of Directors & shareholders of the Company, as required.
- (ii) The percentage increase in the median remuneration of Employees in the financial year was 35.66 %.
- (iii) There were 12 permanent employees on the rolls of Company as on 31.03.2020.
- (iv) Average percentile increase made in the salaried employees other than KMP in the last financial year was 3.88 % and whereas the increase in the Managerial remuneration of KMP for the same F.Y. was 53.10% since few new employees were appointed during the year
- (v) 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 ended 31st March 2020, were as per the Nomination & Remuneration Policy of the company.

For and on behalf of the Board of Directors

Place : Kolkata  
Date : 15.06.2020

**(PAWAN JAIN)**  
Chairman  
DIN: 00038076

**(DAULAT JAIN)**  
Managing Director  
DIN: 00040088

## ANNEXURE III TO THE BOARD'S REPORT

### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

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

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

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ASHIKA CREDIT CAPITAL LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.
2. Based on our verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the Financial Year ended on 31st March, 2020 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, 2020 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) 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 (Issue of Capital and Disclosure Requirements) Regulations, 2018;
    - (d) 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;
    - (e) The Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 and other applicable regulations /guidelines/circulars as may be issued by SEBI from time to time.

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

- a) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
- c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
- d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

## ANNEXURE III TO THE BOARD'S REPORT (Contd.)

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

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

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

- (i) Secretarial Standards 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.

Pursuant to BSE notice no 20190617-15 dated 17th June 2019, the trading in securities of the company re-commenced at BSE platform w.e.f. 25.06.2019 under Permitted to Trade category.

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

### We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Independent Directors. 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,

- I. the Company had obtained approval of shareholders by way of passing Special resolution at the Annual General Meeting of the Company held on 09.08.2019 for the following matters:
  - a. Revision in remuneration of Mr. Pawan Jain (DIN: 00038076), Executive Chairman and Whole-time director of the Company, w.e.f. 1st January 2019 for the remaining tenure of his appointment i.e. upto 31.10.2019.
  - b. Re-appointment and payment of remuneration to Mr. Pawan Jain (DIN 00038076), as Executive Chairman & Whole Time Director of the Company for a period of 3 consecutive years effective from 1st November 2019, liable to retire by rotation.
  - c. Re-appointment of Mr. Sagar Jain (DIN: 00392422) as an Independent Director of the Company, not liable to retire by rotation, for his second term of five consecutive years with effect from April 01, 2019 upto March 31, 2024.
  - d. Re-appointment and payment of remuneration to Mr. Daulat Jain (DIN 00040088), as Managing Director & CEO of the Company for a period of 3 consecutive years effective from 1st November 2019, liable to retire by rotation.
  - e. Continuation of payment of remuneration to executive directors who are promoters in excess of threshold limits as per SEBI (LODR) (Amendment) Regulations, 2018.
- II. the Company had made allotment of 540000 equity shares on preferential basis to Promoter group pursuant to exercise of 5,40,000 convertible warrants into equal number of equity shares and had also obtained listing as well as trading approval from The Calcutta Stock Exchange Limited and Metropolitan Stock Exchange of India Limited.



## ANNEXURE III TO THE BOARD'S REPORT (Contd.)

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

For **M R & Associates**  
Company Secretaries

**[M R Goenka]**

Partner

FCS No.:4515

C P No.:2551

UDIN : F004515B000342160

Place : Kolkata

Date : 15.06.2020

**Note :** The Audit was conducted earlier for nine month and the audit documents were obtained from the Company except compliance for the quarter January to March 2020. The COVID-19 outbreak was declared as a global pandemic by the World Health Organization. On March 24, 2020, the Indian government announced a strict 21-day lockdown which was further extended across the country to control the spread of the virus. Due to COVID-19 pandemic impact, the compliance documents for the quarter January to March, 2020 were obtained through electronic mode and verified with requirements. It is further stated that due to the pandemic situation cause by COVID-19, few intimations made to Stock Exchanges under relevant SEBI Regulations and compliances under the Companies Act 2013 read with relevant rules were within the extended period and relaxations granted by respective regulatory authorities.

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### "ANNEXURE – A"

(TO THE SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020)

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

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

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

For **M R & Associates**  
Company Secretaries

**[M R Goenka]**

Partner

FCS No.:4515

C P No.:2551

UDIN : F004515B000342160

Place : Kolkata

Date : 15.06.2020

## ANNEXURE IV TO THE BOARD'S REPORT

**Brief outline of Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmes.**

### 1. Introduction:

The Corporate Social Responsibility Policy ("CSR Policy") for the Company has been prepared pursuant to Companies Act, 2013 (hereafter referred to as "the Act"), read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and other directions and clarifications issued from time to time (collectively referred to as the "CSR Regulations"). The concept of Corporate Social Responsibility (CSR) has been introduced by the Companies Act 2013. CSR is traditionally driven by a moral obligation and philanthropic spirit. Taking CSR as a sustainable social initiative, ACCL aims to align and integrate resources of the Company with society's developmental needs towards creating a better tomorrow.

ACCL's commitments towards Corporate Social Responsibility include but not limited to, promotion of education and healthcare, sanitation, energy and climate change, promoting gender equality, empowering women, and betterment of the society through respect for universal human rights and the environment, acting with integrity and accountability and operating responsibly and sustainably.

ACCL's approach will be that, CSR activities shall be undertaken in one or multiple ways:

- (i) Independently by the company or
- (ii) In association with external social bodies / NGOs/Trust/ Section 8 Companies or
- (iii) Contribution to external social bodies / NGOs/Trust/ Section 8 Companies for carrying on CSR activities

The said CSR Policy has been uploaded on the Company's website at [www.ashikagroup.com](http://www.ashikagroup.com) and is available at the web link <https://ashikagroup.com/pdf/policies/ACCL-CSR-Policy.PDF>

### 2. CSR Policy:

A detailed CSR Policy was framed by the Committee on 09/08/2019 with due approval of the Board. The Policy, inter alia, covers the following:

- ❖ CSR Approach
- ❖ CSR Vision
- ❖ CSR Committee
- ❖ Responsibilities of the Board
- ❖ Role of CSR Committee
- ❖ Monitoring and Reporting
- ❖ CSR Projects, Program & Activities and so on.

The CSR Policy gives an overview of the projects or programmes which are proposed to be undertaken by the Company in near future

### 3. The composition of the CSR Committee

The Board of Directors of your Company has constituted a CSR Committee of Directors pursuant to Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 to identify, approve and monitor proper execution and implementation of the CSR Activities undertaken by the Company. A Committee of the directors, titled as 'Corporate Social Responsibility Committee', was constituted by the Board in its meeting held on 9th August, 2019 with the following members. The Company Secretary acts as the Secretary to the Committee -

- Ms. Sonu Jain, Chairman, Independent Director
- Mr. Daulat Jain, Member, Managing Director
- Mr. Sagar Jain, Member, Independent Director

During the year under review, the Committee met twice, on 09/08/2019 and 31/01/2020.

**4. Average net profit of the Company for last three financial years: ₹ 574.95 Lacs**

**5. Prescribed CSR Expenditure (2% of amount as in item No. 4): ₹ 11.49 Lacs**

### 6. Details of CSR spent for the Financial Year:

- a) Total amount spent for the Financial Year: ₹ 11.51 Lacs against the mandated requirement of ₹ 11.49 Lacs.
- b) Amount unspent: Nil

## ANNEXURE IV TO THE BOARD'S REPORT (Contd.)

### 7. Manner in which the amount spent for the financial years detailed below:

(Amount in ₹ Lacs)

(1) Sl. No	(2) CSR project or activity Identified.	(3) Sector in which the Project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	(5) Amount (₹) outlay (budget) project or programs wise	(6) Amount (₹) spent on the projects or programs Sub-heads:  Direct expenditure on projects or programs Overheads:	(7) Cumulative expenditure upto to the reporting period	(8) Amount spent: Direct or through implementing agency *
1	Health care & promoting hygienic sanitation	Making available safe drinking water	West Bengal	1.00	1.00	1.00	Implementing Agencies
2	Training and educating children, women, elderly and increasing employability	Promotion of education and empowering women	Mumbai	0.51	0.51	1.51	Implementing Agencies
3	Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)	Fight against COVID 19	Pan India	10	10	11.51	Directly
	<b>TOTAL</b>			<b>11.51</b>	<b>11.51</b>	<b>11.51</b>	

#### DETAILS OF IMPLEMENTING AGENCIES:

The company has made arrangements with charitable Trust/ Section 8 Company

- Janhit Society For Social Welfare
- Shrimad Rajchandra Aatma Tatva Research Centre
- PM CARES Fund

#### 8. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount in its Board report.

N.A.

#### 9. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the company.

Implementations of CSR activities are in compliance with Companies Act, 2013, Schedule VII & its Rules thereof and also to meet the CSR objectives and policy of the Company which are duly monitored by the CSR Committee.

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

(Sonu Jain)

Chairman, CSR Committee

DIN: 07267279

Place : Kolkata

Date : 15.06.2020

## CORPORATE GOVERNANCE REPORT

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

**(Forming part of the Board's Report for the year ended 31st March, 2020)**

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

Ashika Credit Capital Limited (ACCL) believes that a Company's governance framework and philosophy are based on the bedrock of ethics, values and trust. The Company's governance framework enshrines the highest standards of ethical and responsible conduct of business to create enduring value for all stakeholders. Corporate Governance is not a destination but a journey for constantly improving sustainable value creation along with legal compliance, which ACCL firmly believes in. It is due to this rationale that in addition to complying with mandatory statutory requirements, ACCL implements effective governance practices which are continuously helping improve transparency, disclosures, internal controls and promotion of ethics at workplace.

Thus ACCL's philosophy on corporate governance is based on integrity, honesty, transparency and fairness to all stakeholders. ACCL, being a value driven organization, has always worked towards building trust with shareholders, employees, customers based on principles of good governance namely, integrity, transparency, accountability and commitment to values. Ashika Credit Capital Limited continues to focus to be globally recognized financial service provider, leveraging the best of people, idea, resources and technology.

The Board of Directors of the Company always adhere and supports Corporate Governance practices of the Company and believe that company has to stringently complied with all the corporate governance requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereof, as applicable, and listed below.

### 2) BOARD OF DIRECTORS

The Board of Directors is the apex body that governs the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, its management policies and their effectiveness. It also ensures that the long-term interests of stakeholders are being served. The Board plays a pivotal role in ensuring good governance. ACCL is a professionally managed company functioning under the overall supervision of the Board of Directors. Its Board is a combination of Independent and Non Independent Directors, including two (2) Independent Woman Directors in line with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. The members of the Board hail from diverse backgrounds skilled and experienced in areas like taxation, audit, finance, entrepreneurship, as well as legal and general managerial aspects.

As on 31st March, 2020, the Board comprised of five Directors- an Executive Chairman cum Whole-time Director, a Managing Director cum CEO, and three Non-Executive Independent Directors. The Chairman as well as the Managing Director & CEO of the Company is Promoter-Executive Directors. The Board seeks accountability of the management in creating long-term sustainable growth to ensure that the aspirations of stakeholders are fulfilled

#### COMPOSITION, CATEGORY AND OTHER RELEVANT DETAILS OF DIRECTORS:

As per the 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.

None of the Directors on the Board holds directorship in more than eight 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 brother and promoter directors. All the Directors have made necessary disclosures as on 31st March 2020 regarding directorship/committee positions occupied by them in other public limited companies (whether listed or not) in accordance with SEBI (LODR) Regulations, 2015 and the Companies Act, 2013.

The Board of Directors meet at least once in every quarter and also as and when required. During the financial year ended March 31, 2020, five Board Meetings were held, i.e., on April 22, 2019; August 09, 2019; September 11, 2019, December 10, 2019 and January 31, 2020. The Board of Directors has passed few resolutions by circulation during the FY 2019-2020. The necessary quorum was present for all the meetings. The last Annual General Meeting was held on 9th August 2019. None of the directors holds directorship in any listed company apart from Ashika Credit Capital Ltd. The composition and category of directors as on 31st March, 2020 is prescribed below:



## CORPORATE GOVERNANCE REPORT (Contd.)

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 Co @	Member #	Chairperson #	No. of Board Meetings attended	Last AGM attended	
1	Mr. Pawan Jain (DIN: 00038076)	Promoter, Executive Chairman (Whole Time Director )	1	-	-	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	-	-	5	Y	450000
3	Mr. Sagar Jain (DIN: 00392422)	Non Executive Independent Director	2	2	1	5	Y	Nil
4	Ms. Suparna Sengupta (DIN: 07689952)	Non Executive Independent Director	1	2	-	4	N	Nil
5	Ms. Sonu Jain (DIN: 07267279)**	Non Executive Independent Director	4	3	1	5	Y	Nil

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

#Only Audit Committee and Stakeholders' Relationship Committee has been considered as per regulation 26(1)(b) of SEBI (LODR) Regulations, 2015

\* None of the directors held any convertible instruments, warrants, during the financial year 2019-2020

\*\*appointed as Non-executive Independent Director w.e.f. 01.04.2019

None of the director opted for Video Conferencing for attending the meetings held during the referred F.Y.

### INDEPENDENT DIRECTORS :

The Independent Directors of the Company held a separate informal meeting on 10<sup>th</sup> December, 2019 without the attendance of non-independent Directors and members of the management for the purposes, inter alia, as required by Regulation 25 (3) of the SEBI (LODR) Regulations, 2015.

In terms of the provisions of Section 149 of the Companies Act, 2013 and Rules framed thereunder, the Independent Directors of the Company were 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 subsequent to obtaining approval of the Members to their respective appointments. 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](http://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, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. In the opinion of the Board, based on the declaration received, all the Independent Directors fulfill the criteria relating to their independence as specified in the regulation 16(1)(b) of SEBI (LODR) Regulations, 2015 and the Act and discharge his/her duties with an objective independent judgment and without any external influence and that they are independent of the management.

In compliance with Regulation 36(3) of the Listing Regulations read with the Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI), the required information about the Directors proposed to be appointed / re-appointed has been provided in the Notice convening the 27th AGM.

### FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTOR

In terms of Regulation 25(7) of SEBI (LODR) Regulations, 2015, the Company is required to conduct Familiarisation Programme for Independent Directors (IDs) to familiarise them about the Company including nature of industry in which the Company operates, business model of the Company, roles, rights and responsibilities of IDs and any other relevant information. Further, pursuant to Regulation 46 of SEBI Listing Regulations, 2015, the Company is required to disseminate on its website, details

## CORPORATE GOVERNANCE REPORT (Contd.)

of familiarisation programme imparted to IDs including the details of the number of programmes attended by IDs during the year and on a cumulative basis till date, number of hours spent by IDs in such programmes during the year and on a cumulative basis till date, and other relevant details.

During the year under review, the Company conducted Familiarization Programmes for the Independent Directors of the Company. The details of such Programmes has been uploaded on the website of the Company at [www.ashikagroup.com](http://www.ashikagroup.com) and is available at the link [https://ashikagroup.com/pdf/familiarization\\_programme/familiarization-programme-2019-2020.pdf](https://ashikagroup.com/pdf/familiarization_programme/familiarization-programme-2019-2020.pdf).

### LIST OF CORE SKILLS/ EXPERTISE/ COMPETENCIES OF BOARD OF DIRECTORS

The Board of directors of the Company comprise of eminent qualified professionals from diverse fields, who have significant amount of skills / expertise / competencies and thus make valuable contributions to the Board.. 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:

Skills / Expertise / Competencies	Details
Understanding of Industry and Operations and Strategic planning	Understand and analyse the Company's strategies, business, and culture (including its mission, vision, values, goals, governance structure, major risks and threats and potential opportunities) and knowledge of the industry in which the Company operates, including its' diverse business environments, , changing socio-economic conditions, cultures and regulatory frameworks and market opportunities
Interpersonal Skills & Leadership	Attributes and competencies to use their knowledge and skills to function well as team members and to interact with all stakeholders. Fulfilling the duties and responsibilities of Directors having deep understanding of complex business processes and ability to visualize and manage change.
Board Diversity	Representation of gender, ethnic, or other perspectives that expand the Board's understanding of the needs and viewpoints of the Company's customers, employees, governments, regulators and other stakeholders. Experience as leaders with an understanding of complex business, accountability, strategic planning with future vision, having decision making capabilities and ability for innovation
Regulatory Compliance, Legal and Stakeholders relationship	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.
Risk Management and corporate governance	Experience in Risk management and identification of risk area, pertaining to the business in which company operates, which lead mainly to Credit Risk, Liquidity risk etc and mitigate the same promptly.
Financial and Accounting expertise	Qualifications and/or experience in accounting and / or finance and the ability to analyse key financial statements, Leadership experience in handling financial management and risk management or experience in actively supervising a principal financial officer, auditor or person performing similar functions.

The specific areas of skills/ expertise/ competencies of individual Board members have been highlighted in the table :

Name of Director	Strategic Planning & Industry	Leadership	Board Diversity	Compliances	Risk Management	Finance & Accounts
Pawan Jain	√	√	√	√	√	√
Daulat Jain	√	√	√	√	√	√
Sagar Jain	√	√	√	√	√	√
Sonu Jain	√	√	√	√	√	√
Suparna Sengupta	-	√	√	-	-	√

## CORPORATE GOVERNANCE REPORT (Contd.)

### (3) COMMITTEES OF THE BOARD

With an objective to having a more focused attention on various facets of business, better accountability and ensuring compliances, the Board has constituted committees, consisting of Executive and Non-Executive Directors which comply with the requirements of the Companies Act, 2013 as well as SEBI (LODR) Regulations, 2015, to focus on the critical functions of the Company. The Board Committees play a crucial role in the governance structure of the Company and are being set out to deal with specific areas/activities which concern the Company and need a closer review. 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. The various Board committees of the Company comprise:

#### **AUDIT COMMITTEE (AC):**

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

The company has a well defined Audit committee with terms of reference in line with the provisions of Section 177 of the Companies Act, 2013 and Rule 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, comprising of 3 (three) Directors as members of the committee, all being Independent, non Executive Directors as on 31st March 2020. 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 primary objective of the Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting.

The 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.
- Review, approve or any subsequent modification of transactions of the company with related parties and to grant omnibus approval for related party transactions which are in the ordinary course of business and on an arm's length pricing basis subject to the approval of the Board;
- reviewing with management quarterly, half yearly financial statement before submission to board for approval;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing with the management, the statement of uses /application of funds rose through an issue & other related matter and make appropriate recommendations to the Board.
- Discussion with Statutory Auditor before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- 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

## CORPORATE GOVERNANCE REPORT (Contd.)

- Scrutiny of Inter corporate Loans & Investments.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
- Approval of appointment/ removal including terms of remuneration of Chief Financial Officer. (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- To review the utilisation of loans and or/advances from/ investment by the holding company in the subsidiary, exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments.
- The committee shall review the compliances in the regard to the provisions of regulation 9 and 9A of SEBI (Prohibition of Insider Trading) (Amendment) Regulations 2018 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:

The committee met at regular intervals during the financial year under review and the necessary quorum was present in all the said meetings. Further, the representatives of the Statutory Auditors, CFO and Representative of Internal Auditor 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				
		22.04.2019	09.08.2019	11.09.2019	10.12.2019	31.01.2020
Mr. Sagar Jain	Chairman, Non Executive and Independent	Yes	Yes	Yes	Yes	Yes
Ms. Suparna Sengupta	Member, Non-Executive Independent	No	Yes	Yes	Yes	Yes
Ms. Sonu Jain §	Member, Non-Executive Independent	Yes	Yes	Yes	Yes	Yes

§ inducted as member of the committee w.e.f. 1st April, 2019.

The Audit Committee was re-constituted by the board through circular resolution passed on 1st April, 2019.



## CORPORATE GOVERNANCE REPORT (Contd.)

### NOMINATION AND REMUNERATION COMMITTEE (NRC):

#### a) Brief Description and Terms of Reference:

The Nomination and Remuneration Committee (NRC) has been constituted in line with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI (LODR) Regulations, 2015 comprising of 3 (three) Directors as members of the committee, all being Independent, non Executive Directors as on 31st March 2020. The Company Secretary to the Company acts as secretary to the Committee. The Committee evaluates the composition and organization of the Board and its Committees in light of requirements established by any regulatory body or any other applicable statutes, rules and regulations which the Committee deems relevant, makes recommendations to the Board of Directors in respect to the appointment, re-appointment, removal and resignation of Independent, Executive and Non- Executive Directors of the Company, identifies the persons who are qualified to become Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) in accordance with the criteria laid down in the Nomination & Remuneration Policy of the Company, and provides criteria for fixing remuneration of the Directors, KMPs, SMPs, functional heads of the company.

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 structured commensurate with the requirement of the company
- The quorum for meeting of the NRC Committee 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:

During the financial year under review, the committee met three (3) times and the necessary quorum was present in all the said meetings. The name and category of Directors as Members and their attendance at the aforesaid NRC Meetings are detailed below:

Name of member	Category – Directorship	Date of Meeting and Attendance in meeting		
		22.04.2019	09.08.2019	10.12.2019
Mr. Sagar Jain #	Chairman, Non Executive and Independent	Yes	Yes	Yes
Ms. Suparna Sengupta @	Member, Non-Executive and Independent	No	Yes	Yes
Ms. Sonu Jain \$	Member, Non-Executive and Independent	Yes	Yes	Yes

# Designated as Chairman of the Committee w.e.f. 09.08.2019

@ ceased to be Chairperson of the committee w.e.f. 09.08.2019, but continuing as a member

\$ inducted as member of the committee w.e.f. 1st April, 2019.

The Nomination & Remuneration Committee was re-constituted by the board through circular resolution passed on 1st April, 2019.

## CORPORATE GOVERNANCE REPORT (Contd.)

### c) Performance Evaluation of the Board, Committees and Directors:

As per the applicable provisions of the Companies Act, 2013, SEBI (LODR) Regulations and the guidance note on Board Evaluation issued by SEBI in January 2017, the performance evaluation of Board of Directors as a whole, Committees of the Board, Individual director including chairman of the Board of Directors, also self evaluation of all directors is done, and further, on the basis of the report of performance evaluation, NRC is to determine whether to extend or continue the terms of appointment of Independent Director. Further, as per amendments to SEBI (LODR) Regulations, 2015, the evaluation of independent directors shall be done by the entire board of directors which shall include (a) performance of the directors (b) fulfilment of the independence criteria as specified in the SEBI (LODR) Regulations, 2015 and their independence from the management.

In compliance with the aforementioned requirements of the provisions of Section 178 of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and the Guidance Note on Board Evaluation issued by SEBI in January 2017, your Company has carried out a Performance Evaluation for the Board / Committees of the Board / Individual Directors including the Chairman of the Board of Directors and also self evaluation of all the Directors excluding the director carrying out the self evaluation, for the financial year 2019-2020.

A set of questionnaires were sent to all directors to carry out the aforesaid Performance Evaluation in a confidential manner and provide their feedback on a rating scale of 1 - 5. Duly completed form and their ratings were sent to the Chairman of the Board and the Chairman / Chairperson of the respective Committees of the Board for their consideration. The Performance Evaluation feedback of the Chairman was sent to the Chairperson of the Nomination and Remuneration Committee and then the same was given to Chairman of Independent Director meeting.

The outcome of such Performance Evaluation exercise was discussed at a separate Meeting of the Independent Directors held on December 10, 2019 and was later tabled at the Nomination and Remuneration Committee Meeting held on December 10, 2019. The Nomination and Remuneration Committee forwarded their recommendation based on such Performance Evaluation Process to the Board of Directors and the same was tabled at the Board Meeting held on December 10, 2019.

After completion, the Board of Directors in their meeting held on 10.12.2019, also discussed the performance Evaluation of Board, Committee and individual directors. The report on evaluation of chairperson of NRC was given to the chairperson of Board. The performance evaluation of independent directors of the Company were done by the entire Board of Directors, excluding the independent directors being evaluated. Further, Chairperson of Board provided feedback to ID, MD & ED, and, chairperson of NRC provided feedback to NID as appropriate. The board reviewed the performance of the board as a whole, committees and individual directors and expressed its satisfaction on the same.

On basis of Performance Evaluation process and on the recommendation of the Nomination and Remuneration Committee, your Board of Directors have proposed the re-appointment of Mr. Sagar Jain (DIN: 00010630) as the Independent Directors of the Company for a second term of five (5) consecutive years at the ensuing AGM for the approval of the Members by way of special resolutions.

### 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 SEBI Listing Regulations, 2015.

The committee consists of 3 (three) non executive, independent directors as its' members as on 31st March 2020. Ms Sonu Jain, Independent Directors is the Chairperson of the committee. The Company Secretary to the Company acts as secretary to the Committee. The Stakeholders Relationship Committee is assigned with the responsibilities of overseeing investor grievances. The Committee oversees and reviews redressal of shareholder and resolve the investor grievances, transfer & transmission of shares, issue of duplicate share certificates, recording dematerialization & rematerialisation of shares. The Stakeholders' Relationship Committee was re-constituted by the board through circular resolution passed on 1st April, 2019.

- To specifically look into various aspects of interest of shareholders, debenture holders and other security holders.
- At least three directors, with at least 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 at least once in a year.

## CORPORATE GOVERNANCE REPORT (Contd.)

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.

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

During the financial year under review, the committee met once and the necessary quorum was present in the said meeting. The name and category of Directors as Members and their attendance at the aforesaid SRC Meeting is detailed below:

Name of member	Category – Directorship	Date of Meeting and Attendance in meeting
		22.04.2019
Ms. Sonu Jain #	Chairperson, Non Executive and Independent	Yes
Mr. Sagar Jain	Member, Non-Executive and Independent	Yes
Ms. Suparna Sengupta	Member, Non-Executive and Independent	No

# inducted as member-cum-Chairperson of the committee w.e.f. 1st April, 2019.

**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	2019-2020
Number of 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 Redress System - 'SCORES' and endeavors to resolve all investor complaints received through SCORES. During the year, 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 March 31, 2020 and there were no requests for issue of duplicate certificates, etc., received from the shareholders of the Company for the Financial Year 2019-2020.

## 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, comprising of 3 (three) Directors as members of the committee, among them, two being Independent Directors and one being Executive Director as on 31st March 2020. Ms Sonu Jain, is the chairperson of the committee. The Committee was formulated by the Board of Directors of the Company w.e.f. 9th August, 2019 and the Company Secretary of the Company acts as the Secretary to the Committee. The committee is responsible for monitoring the Corporate Social Responsibility Policy (CSR Policy) of the Company from time to time, implementation of the CSR projects or programs or activities undertaken by the Company, ensuring expenditure of requisite amount on CSR every year as per law and so on.

The broad terms of reference of the CSR Committee is in line with the regulatory requirements and, inter alia 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 or from time to time ;

## CORPORATE GOVERNANCE REPORT (Contd.)

- 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.

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

During the financial year under review, the CSR committee met twice (2) and the necessary quorum was present in all the said meetings.

The name and category of Directors as Members and their attendance at the aforesaid CSR Meetings are detailed below:

Name of member	Category – Directorship	Date of Meeting and Attendance in meeting	
		09.08.2019	31.01.2020
Ms. Sonu Jain	Chairman, Non Executive and Independent	Yes	Yes
Mr. Sagar Jain	Member, Non-Executive and Independent	Yes	Yes
Mr. Daulat Jain	Member, Executive	Yes	Yes

### (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](http://www.ashikagroup.com) and is available at the link <https://ashikagroup.com/pdf/policies/ACCL-Nomination-and-Remuneration-Policy.pdf>.

None of the Non-Executive Directors have any pecuniary relationship or transactions with the Company, except to the extent of their shareholding, if any, in the Company.

#### CRITERIA OF MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS:

The Non-Executive 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. 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/criteria-for-payment-to-non-executive-directors.pdf>

#### DISCLOSURES WITH RESPECT TO REMUNERATION:

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. Remuneration payable to Executive Director is recommended by Nomination and Remuneration Committee and approved by Board of Directors subject to approval by the shareholders at the General Meeting. No sitting fee is being paid to the Executive Directors.

#### REMUNERATION PAID TO DIRECTORS FOR THE FINANCIAL YEAR 2019-2020:

(Amount in ₹)

Name	Salary p.a.#	Sitting fees	Total	Number of shares held as on 31.03.2020
Mr Pawan Jain, Executive Chairman (WTD)	1,70,63,429	Nil	1,70,63,429	789000, as Karta of Pawan Jain HUF
Mr Daulat Jain, MD & CEO	13,00,008	Nil	13,00,008	450000
Mr. Sagar Jain	NA	1,55,000	1,55,000	Nil
Ms. Suparna Sengupta	NA	1,10,000	1,10,000	Nil
Ms. Sonun Jain @	NA	1,55,000	1,55,000	Nil

@ appointed as Non-executive Independent Director w.e.f. 01.04.2019

# inclusive of PF contribution and others

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



## CORPORATE GOVERNANCE REPORT (Contd.)

### (5) GENERAL BODY MEETINGS:

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

Date and Day	Venue	Time	Number of Special resolutions passed
9th August, 2019, Friday	Bharatiya Bhasha Parishad, 4th Floor, 36A, Shakespeare Sarani, Theatre Road, Kolkata – 700017	11:00 A.M	5 (Five)
1st September, 2018, Saturday	Kala Kunj, 48, Shakespeare Sarani, Kolkata- 700017	10:30 A.M.	2 (Two)
7th September, 2017, Thursday	" TRINITY ", 226/1 A.J.C. Bose Road, Kolkata-700020	11:30 A.M.	4 (Four)

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

- b) No Extra-ordinary General Meeting of the shareholders was held during the financial year under review.
- c) The Company does not propose to conduct any Special Resolution through Postal Ballot under Section 110 of the Companies Act, 2013 and Rules framed there under on or before the forthcoming AGM.
- d) No resolution, whether ordinary or special, was passed during the financial year ended 31st March 2020 through Postal Ballot under Section 110 of the Companies Act, 2013 and Rules framed there under.

### (6) MEANS OF COMMUNICATION:

- a) **Financial Results:** Prior Intimation of the Board meeting to consider and approve Unaudited / Audited Financial Results of the Company is given to stock exchange and also on the website of the company [www.ashikagroup.com](http://www.ashikagroup.com) and pursuant to regulation 47 also published in prominent English Newspapers (Business Standard) having nationwide circulation as well as Regional (Bengali) Newspaper (Arthik Lipi). The aforesaid Financial Results are immediately intimated to the Stock Exchanges, after the same are approved at the Board Meeting and also upload on the website of the company and are published in the aforesaid newspaper.

In view of the outbreak of COVID-19 and as per directives of received from the Central & State Governments and local bodies, there has been complete lockdown in the country since 24.03.2020, wherein the all operations of the Company in its' Registered Office, Branch Office and Corporate Office have been disrupted w.e.f. 24th March, 2020. Keeping in mind the above, the practical constraints of continuing operations and the safety and health of its' employees and other stakeholders, the Company has suspended its' operations and therefore, has adopted 'Work from Home' approach in its stead for all its' employees.

Pursuant to the above pandemic situation, SEBI and MCA has announced several relaxations in timelines for compliances of certain regulatory requirements and has extended dates for submission & compliance with the same, wherein exemption from publication of advertisements in newspapers (for Board meeting notice, financial results etc.) for all events occurring till 30th June, 2020 has also being granted. Pursuant to the aforementioned circulars issued by SEBI, the Company has refrained from publishing any advertisements for Board meeting notice, Financial Results (for quarter and year ended 31st March, 2020) in newspapers owing to the current lockdown situation and resultant bottlenecks relating to print version of newspapers.

- b) **Newspapers :** Business Standard (English) – All India Edition and in Arthik Lipi, Vernacular Newspaper (Bengali)
- c) **Website :** The Company's has its functional website, [www.ashikagroup.com](http://www.ashikagroup.com), wherein all details / information of interest to various stakeholders, including business of the company, Financial Results, Annual reports, Shareholding Pattern etc are uploaded at a dedicated section "Investor Relations". Company's policies are also updated on the website of the company.
- d) **News press releases:** During the financial year under review, there were no such news releases.
- e) **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 :** As per the notice calling the 27th Annual General Meeting (AGM).

The Company is conducting its' AGM through VC/ OAVM pursuant to MCA circular dated 5th May, 2020 and as

## CORPORATE GOVERNANCE REPORT (Contd.)

such, there is no requirement to have a venue for the AGM. For details, please refer to the Notice of the AGM.

- b) Financial Year** : 1st April 2019 to 31st March 2020
- c) Date of book closure** : As mentioned in the notice calling the 27th AGM
- d) Dividend payment date** : No Dividend has being recommended by Board of Directors for this FY
- e) Listing on Stock Exchanges with the Scrip Code** :

Sl. No.	Name of Stock Exchange	Address (s)	Scrip code/symbol
1	The Calcutta Stock Exchange Limited	7, Lyons Range Kolkata 700001	11591 & 10011591
2	Metropolitan Stock Exchange of India Limited (MSEI)	Vibgyor Towers, 4 <sup>th</sup> 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

**Note** : Re-commencement of trading of securities of the company under "Permitted Securities category" at BSE wef 25.06.2019 pursuant to BSE notice no20190617-15 dated 17<sup>th</sup> June 2019.

- f) Listing Fees to Stock Exchanges** : The Annual Listing Fees for the Financial Year 2019-2020 as well for Financial Year 2020-2021 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) 661111700
- k) Market Price Data**

The high / low market prices of the shares during the year 2019-2020 at the exchanges were as under:-

Month	CSE		MSEI		BSE*	
	High	Low	High	Low	High	Low
April, 2019	----	----	----	----	----	----
May, 2019	----	----	----	----	----	----
June, 2019	----	----	----	----	38.55	36.00
July, 2019	----	----	----	----	38.50	35.65
August, 2019	----	----	----	----	38.55	35.05
September, 2019	----	----	----	----	40.35	36.80
October, 2019	----	----	----	----	41.50	36.00
November, 2019	----	----	----	----	40.10	38.15
December, 2019	----	----	----	----	45.05	31.50
January, 2020	----	----	----	----	37.50	34.00
February, 2020	----	----	----	----	38.90	29.05
March, 2020	----	----	----	----	32.25	15.05

Note: During the financial year ended March 31, 2020, there was no trading in the equity shares of the Company at CSE & MSEI. The last rate at MSEI is Rs.17.65.

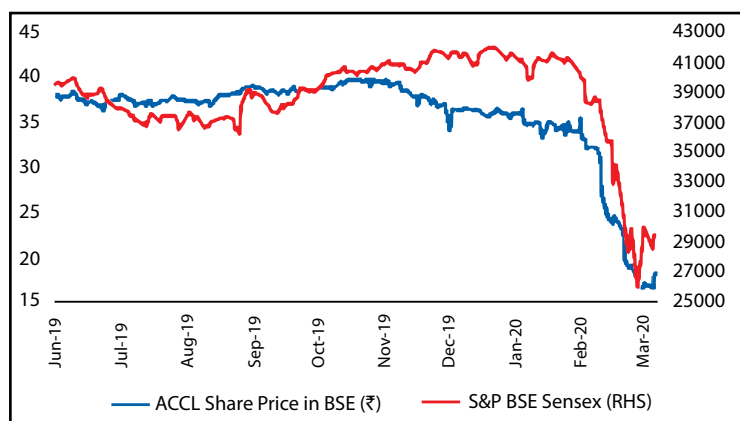
\*traded under permitted securities category.

## CORPORATE GOVERNANCE REPORT (Contd.)

### l) Registrar and Transfer Agents (RTA)

: 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.  
 RTA services includes processing the transfers, transmission, sub-division, consolidation, splitting of shares, etc. and to process the Members' requests for dematerialization and / or re-materialization of shares.

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



(the trade re-commenced at BSE wef 25.06.2019 )

### n) Share transfer system :

- **Share Transfer:** In terms of Regulation 40(1) of SEBI (LODR) Regulations, 2015, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

The Board has formulated a committee named Share Transfer committee and delegated the powers of share operations to the Committee. The committee has been re-constituted w.e.f. 1st April, 2019 and 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 March 31, 2020.

In compliance with the provisions of Regulation 40(9) of the Listing Regulations, company obtains a certificate from Practicing Company Secretary who conducts Audit of the Share Operations System of the Company maintained at the office of the RTA, a copy of such certificate is filed with the stock exchange.

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

### o) Dematerialisation of Shares and Liquidity

Based on a SEBI directive, the Equity shares of the Company are permitted to be traded only in dematerialised form and are available for demat under both the Depositories in India - National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As on 31st March, 2020, 99.03% of the total paid-up share capital of the Company are held in dematerialized mode. The balance 0.97% paid-up share capital representing 1,15,257 Equity Shares is held in physical mode and these shareholders are requested to dematerialize their shares, as per the afore-mentioned SEBI Regulations in order to avail the benefits of transfer /sale of shares. For any assistance in converting physical shares in electronic form,

## CORPORATE GOVERNANCE REPORT (Contd.)

investors may approach our RTA, Maheshwari Datamatics Pvt. Ltd. or the Company Secretary of the Company. The entire Promoters' shareholding of 46,50,274 Equity Shares, representing 39.14% 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	414	4174640
CDSL	574	7590103
PHYSICAL	28	115257
<b>TOTAL</b>	<b>1016</b>	<b>11880000</b>

### p) Category-wise shareholding pattern as on 31st March, 2020

Sr. No.	Category	No. of shares	% holding
1	Promoter & promoter Group	4650274	39.1437
2	Institution- Foreign Portfolio Investors- Public	100000	0.8418
3	Non-Institution- Body Corporate- Public	3041622	25.6029
4	Non-Institution- Individual- Public	4085059	34.3860
5	Clearing member	2980	0.0251
6	Non Resident Individual	65	0.0005
	<b>Total</b>	<b>11880000</b>	<b>100</b>

### q) Distribution of Shareholding as on 31st March, 2020

Slab of shareholding	Number of Shareholders	Number of Shares	% to total no of shares
Upto 500 shares	722	23866	0.2009
501-1000 shares	20	16270	0.1370
1001-2000 shares	29	51956	0.4373
2001-3000 shares	8	22070	0.1858
3001-4000 shares	7	25867	0.2177
4001-5000 shares	6	28816	0.2426
5001-10000 shares	20	168797	1.4208
Above 10000 shares	92	11542358	97.1579
<b>Total</b>	<b>904</b>	<b>11880000</b>	<b>100.0000</b>

- r) Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity : NIL, as on 31st March, 2020.  
The balance 540,000 outstanding warrants have been converted by the Company into equal number of equity shares at its' meeting held on 9th August, 2019.
- s) Commodity price risk or foreign exchange risk and hedging activities : None
- t) Plant locations : None
- u) 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
- v) **Email id of grievances redressal division** : investorservices@ashikagroup.com



## CORPORATE GOVERNANCE REPORT (Contd.)

- w) **List of all credit ratings obtained by the Company** : None 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

### (8) OTHER DISCLOSURES:

#### (a) Related Party Transactions:

All transactions entered into with Related Parties during the financial year were in the ordinary course of business and on arms' length basis and do not attract the provisions of Section 188(1) of the Companies Act, 2013. Prior approval of the Audit Committee is obtained for all Related Party Transactions of the Company. During the financial year ended March 31, 2020, the Company did not have any 'material' related party transaction that may have potential conflict with the interests of the Company at large. All Related party transactions are reviewed by the Audit Committee on a quarterly basis.

In accordance with section 188 of the Companies Act 2013 read with rules there on and regulation 23 of SEBI (LODR) Regulations, 2015 the board of directors has adopted a policy on Materiality of Related Party Transactions and on dealings with Related Party Transactions and the same is uploaded on the website of the company at <https://ashikagroup.com/pdf/policies/ACCL-RPT-Policy.pdf>. The Policy on Materiality of Related party Transactions and On Dealing With Related Party Transactions was revised wef 01.04.2019, pursuant to amendments in to SEBI (LODR) (Amendments) Regulation 2018.

#### (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:

Your company, on 5th August 2018, has made allotment of 540,000 equity shares issued pursuant to exercise of conversion of 540,000 convertible warrants into equal number of equity shares. In view of the same, pursuant to regulation 108(2) of SEBI (ICDR) Regulations, 2009, there was a slight delay of 20 days in soliciting listing approval from the exchanges. In lieu of the same, pursuant to SEBI Circular No. CIR/CFD/DIL/57/2017 dated June 15, 2017; the Company has paid the requisite fine to the stock exchanges (CSE & MSEI).

Further, other than the afore-mentioned, 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 established an effective Vigil Mechanism System for directors and employees to report concerns about unethical behavior. No person has been denied access to the chairman of Audit Committee. The said policy has been uploaded on the website of the Company at <https://ashikagroup.com/pdf/policies/ACCL-Vigil-Mechanism-Policy.pdf>. The Policy on Vigil mechanism /Whistle Blower were revised wef 01.04.2019 pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations 2018.

#### (d) Details of Mandatory and Non-Mandatory Corporate Governance Requirements :

The Quarterly / Yearly Reports on compliance of Corporate Governance in the prescribed format have been submitted to the Stock Exchanges where the Shares of the Company are listed within the stipulated time frame and the same are also uploaded on the Company's website at [www.ashikagroup.com](http://www.ashikagroup.com). The Company has complied with all the mandatory requirements to the extent applicable to the Company.

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

During the financial year ended 31st March, 2020, 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 and shall formulate as and when required.

#### (f) 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, 2020.

## CORPORATE GOVERNANCE REPORT (Contd.)

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

Pursuant to Regulation 32(7A) of SEBI (LODR) Regulations, 2015, the Company has duly utilized the proceeds of the allotment money raised through preferential basis to meet general business requirements addressing Working Capital needs as well as expansion of Business activities i.e. the manner as specified in the explanatory statement of the notice of general meeting dated 22.02.2018 and there has been no deviation in utilization of proceeds pursuant to Regulation 32 of SEBI (LODR) Regulations, 2015. Detailed disclosure regarding the same has been explained in the Board's Report of the Company for the financial year ended 31st March, 2020 (in point 5).

### (h) 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:

The company has received declaration from all directors of the Company that they are/have not 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.

Further the Company has received a certificate from Mr. Mohan Ram Goenka (C.P. 2551), Partner of M/s MR & Associates, Practicing Company Secretaries confirming that that none of 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 to this effect, duly provided by the Practicing Company Secretary is annexed to this Report.

### (i) During the F.Y. 2019-2020, 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.

### (j) 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 2019-2020, 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 to the Company during the F.Y. 2019-2020 as tabled below:

Sr. No.	Particulars	Amount (₹ in lacs)
1	As Auditor - Statutory Audit and Limited Reviews	10.86
2	For Other Services (Certification, etc.)	6.20
3	Tax Audit	1.77
4	For Reimbursement of Expenses	1.40

Further, the company has not availed any services during the Financial Year 2019-2020 from entities in network firm/network entity of which the statutory auditor is a part.

### (k) 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 2019-2020 along with their status of redressal as on financial year ended 31st March, 2020 are as under:

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

### (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.

## CORPORATE GOVERNANCE REPORT (Contd.)

### (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: As the quarterly and half yearly financial results are published in the newspapers (barring Annual Audited Results for the quarter and year ended 31st March, 2020, due to Covid-19 as already explained in pt 6 above) 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, 2020 was unmodified.
- Separate posts of chairperson and chief executive officer
- Reporting of Internal Auditor: The Internal Auditor or his representative is a permanent invitee to the Audit Committee meeting and Internal Auditors of the Company make quarterly presentations to the Audit Committee on their reports.

### (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) WEBSITE:

The Company has a functional website [www.ashikagroup.com](http://www.ashikagroup.com) wherein complete overview of the Company, its Annual Report, financial results, details of its business, shareholding pattern, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances, regulatory policies, etc. are uploaded.

### (13) 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/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.

### (14) 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 2020.

### (15) 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, Practising Company Secretary has been attached to this Annual Report.

### (16) RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and SEBI Circular No D&CC / FITTC/Cir- 16/2002 dated December 31, 2002. The company has obtained a certificate from a qualified practicing Company Secretary in regard to share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The said Report on Reconciliation of Share Capital has been submitted with stock exchange quarterly within prescribed time also update on the website of the company [www.ashikagroup.com](http://www.ashikagroup.com).

**CORPORATE GOVERNANCE REPORT (Contd.)****(17) PREVENTION OF INSIDER TRADING:**

In compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) the Company has adopted a Code of Conduct for regulating, monitoring and reporting of Trading by Insider (ACCL Insider Code) with a view to regulate trading in securities by its' Designated Persons, and immediate relative of designated persons. The ACCL Insider Code is available on website of the company at <https://ashikagroup.com/pdf/policies/ACCL-Insider-Code.pdf>. All Designated person ( as per c ode) submits the Annual disclosure in regard to the Trading done by them and their immediate relatives in the securities of the company. The intimation of closure of Trading windows are informed to the Designated person as and when applicable.

Pursuant to applicable provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, the Company also has in place the "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information". The Code has also been hosted on the website of the Company at <https://ashikagroup.com/pdf/policies/ACCL-Code-of-Practices-and-Procedures-on-Fair-Disclosure.pdf>.

Both the aforesaid policies were revised wef 01.04.2019 pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations 2018.

**(18) 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

Place: Kolkata  
Date: 15.06.2020

**PAWAN JAIN**  
Chairman  
DIN: 00038076

**DAULAT JAIN**  
Managing Director  
DIN: 00040088



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

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

1. We have examined the compliance of conditions of Corporate Governance by Ashika Credit Capital Limited (hereinafter called the Company) for the Financial Year ended on 31st March, 2020, as stipulated in the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulations').
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and based on the representation made by the directors and 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').
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 M R & Associates**  
Company Secretaries

**M R GOENKA**  
Partner

FCS No: 4515

C P No.: 2551

UDIN : F004515B000342402

Place: Kolkata  
Date: 15.06.2020

## 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, 2020, 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

### COMPLAINEE CERTIFICATE

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

15.06.2020

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 violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit committee
- (1) significant changes in internal control over financial reporting during the year;
  - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Yours sincerely,

**DAULAT JAIN**

Managing Director & CEO

**GAURAV JAIN**

Chief Financial Officer

## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry structure and developments

#### Global economy

The global economy has witnessed two back to back challenging years. Business activities and overall economic momentum continued to remain flat across the major part of 2019. Several indicators suggested stabilising manufacturing and services activities. Financial conditions seemed to improve, following moves to increase monetary policy accommodation and reduced trade policy tensions. However, stress continued across economies, underpinned by weak business investments, slowdown in trade, intensifying social unrest in several countries, weather-related disasters-from hurricanes in the Caribbean, to drought and bushfires in Australia, floods in eastern Africa and drought in southern Africa.

Despite these headwinds, several projections aimed at bottoming out

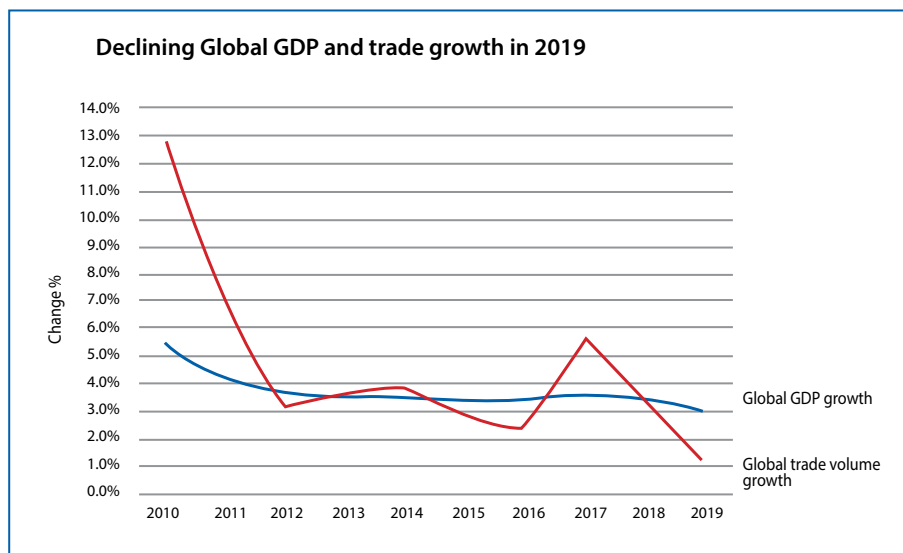
of the global growth. Just when the world assumed that the storm was settling in, the globe was gripped by the pandemic Coronavirus (COVID-19).

The outbreak of COVID-19 resulted in rise of many uncertainties totally unseen in past few decades. Right from supply-chain disruptions, plunge in commodity prices, specially oil, substantial dip in capital expenditures to decline in travel, leisure, hospitality and decline in durable purchases, will push global demand and GDP into a tailspin. The adverse effects of COVID-19 are likely to push the global GDP from 2.9% in 2019 to negative

territory of - 3%.

The immediate impact of COVID-19 is a huge drop in economic growth. Macroeconomic policy stimulus across nations will help restore confidence as the effects of the virus outbreak and supply-side disruptions fades. Low interest rates globally will also help cushion demand. Broad based stimulus and liquidity facilities will aid in preventing deeper contraction in demand and help bolster economic recovery. The global growth is forecasted to pick up to 5.8% in 2021 once the effects of the coronavirus fade and output gradually recovers.

The adverse effects of COVID-19 are likely to push the global GDP from 2.9% in 2019 to negative territory of - 3%.



(Source: Economic times, Bloomberg, IMF, OECD)

## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

### Indian economy

The FY 2019-20 will be remembered as one of the most difficult years in the history of Independent India. The first three quarters witnessed slowing consumptions, lower investments, increasing liquidity concerns and challenging exports scenario owing to the ongoing tussle of US-China trade wars and geo political tensions across some of the major economies. The last quarter of the FY 2019-20, showed few signs of pickup. However, COVID-19 pandemic hit India and business activities were heavily impacted in the last few days of March 2020. The nationwide lockdown put breaks to the otherwise improving growth momentum.

The output of eight core infrastructure industries shrank by 6.5% in March 2020 due to a fall in the production of crude oil, natural gas, refinery products, fertiliser, steel, cement and electricity. The overall annual GDP declined to a 11-year old low of 4.2% in 2019-20. The Reserve Bank of India (RBI) introduced slew of measures to inoculate the economy against further decline by cutting down the repo rate to a 15-year low of 4.4%. It further allowed banks to stall EMIs for term loans for up to three months (which was further extended with the next versions of lockdown) and increased liquidity by cutting down Cash Reserve Ratio (CRR) to mitigate the effects of the lockdown. The government announced fiscal stimulus package totalling \$ 22.6 Billion, including direct cash transfers and food security measures. The breakdown of the Organization of the Petroleum Exporting Countries (OPEC) and Russia group, and the resultant fall in crude prices is a big positive for India, as it means reduced expenditure on oil imports. The Government further extended its stimulus to the tune of ₹ 20 lakh crore to make the nation

self-dependent. (including previous package of \$22.6 billion and monetary measures by RBI). The package was called 'Aatmanirbhar Bharat Abhiyan'.

### Outlook

The likely duration, intensity and spread of the coronavirus has brought in increased uncertainty to the global and domestic economic outlook. There has been an impact of imports from China on domestic supply chains, the duration of which remains uncertain. Macro policy responses have been unprecedented in scale and scope and will cushion the near-term shock, with a strong focus on India-made products and services. The path back to normality, after the health crisis subsides, is likely to be slow. India's economic growth has the potential to bounce back once the COVID-19 pandemic settles. This is due to the inward-looking nature of the economy with low, albeit increasing, linkages with other markets and dependence on domestic consumption.

### NBFC segment in India

Non-banking Financial Companies (NBFC) sector in India has undergone a significant transformation over the past few years. It plays a significant role in the growth of the Indian financial system. Its main objective is to serve the underserved segment of the Indian economy such as MSME, microfinance and other retail segments. Besides, it also plays a critical role in the development of core infrastructure, transport, employment generation, wealth creation, economic development of the weaker sections in India.

The NBFCs have been significantly leveraging the technology to reinvent traditional business model. It has been developing several analytics-based platform to put in place effective risk

management framework and focus on high-quality assets. It has further forayed into the deeper pockets of India and supported the nation's financial inclusion programme.

The Budgets of July 2019 and February 2020 clearly indicated the increasing importance of this segment in boosting the economy and bringing in positivity in the investor fraternity. Some of the key measures include:

- Under the SARFAESI Act, 2002, the eligible limit for debt recovery has been proposed to be reduced from ₹ 5 billion to asset size of ₹ 1 billion or loan size from existing ₹ 10 million to ₹ 5 million.
- Amendment has been proposed Under the Factoring Regulation Act, 2011 to enable the NBFCs to extend invoice financing to the micro, small and medium enterprises (MSMEs) through the Trade Receivables Discounting System (TReDS), thereby enhancing their economic and financial sustainability.

The economic slowdown in 2019-20 kept the financial markets jittery. The concerns on fiscal slippage, rising geo-political tensions and weakness in the overall economic activity put further pressure on the business growth of lenders, including NBFCs. The outbreak of Covid-19 led to further uncertainties, while NBFCs were already facing liquidity challenges and increasing NPAs. As per Crisil estimates, NBFCs (including HFCs) are expected to post an AUM growth of 6-8% in 2019-20, as compared to 13% in FY19. NBFCs with large retail portfolio are expected to do well owing to their de-risked portfolio and better liquidity. On the Non-performing asset (NPA) front, the GNPA ratio for NBFC sector rose marginally from 6.1% as on March, 2019 to 6.3% as on September, 2019. These delinquencies are expected to



## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

rise by another 30 to 150 basis points (bps) by March, 2020 (Source: CRISIL). The NNPA ratio stood at a steady 3.4% as on both the periods (Source: RBI).

As a part of COVID-19 relief measures, the RBI offered moratorium to the borrowers. It further relaxed the bad loan classification period from 90 days to 180 and advised NBFCs to maintain adequate provisioning. The six month moratorium on term loan repayments given by RBI will not result in any revenue (Interest income) loss for lending banks and NBFCs as borrowers opting for deferment will either have to extend their tenure else increase the quantum of EMIs.

A further reduction of 25 bps in the reverse repo rate and the exclusion of the moratorium period in evaluating NPA's/asset classification coupled with other liquidity injection measures were the need of the hour for the sector. It will ensure continuity of vital businesses and thereby ensure gradual recovery for next fiscal. NBFCs with strong business model, strong capital base & liquidity position together with innovative business strategies can overcome the impact of this disruption in the second half of FY21, and continue its successful growth trajectory.

### Opportunities and Threats

Phasing out of lockdown and impact of the liquidity measures will give a tremendous bounce back opportunities to the NBFC. Moreover, with changes in norms of MSME identification, there will be a larger credit demand expected from this segment. Besides, increasing preference of fintech and retailisation of loans, especially to the tier II and tier III cities will keep evolving as opportunity zones for the industry.

On the flip side, weak credit profiling of borrowers amid a gradual economic recovery remains one of the

biggest threat. Beyond the immediate liquidity challenges, the key challenge for the NBFCs would be to prevent a sharp deterioration in the delinquency levels subsequent to the expiry of the moratorium period. While the lockdown may be gradually removed, the impact on the businesses of the self-employed and SME borrowers is likely to be severe. Besides, sharp decline in government revenue receipts due to the extended lockdown and growth slowdown, coupled with rising need for fiscal support, will throw a spanner in the works of both the Union and State Government finances. The combined fiscal deficit of both the Union and State Governments may reach 12% of GDP in FY21. This can raise the risks of a subsequent ratings outlook downgrade, given the mix of low growth and rising deficit.

### Outlook

The NBFC segment's outlook is backed by the liquidity enhancing initiatives undertaken by the Government. The launch of a special liquidity scheme worth ₹ 30,000 crore for stressed non-banking financial companies and housing finance companies, whose financials further deteriorated due to COVID-19 crisis, will create a positive impact on the sector. This facility would supplement the liquidity measures taken so far by the government and RBI. The scheme would benefit the real economy by augmenting the lending resources of NBFCs/HFCs/MFIs. On the business front, NBFCs will look forward to re-strategies the lending practices and leverage technology heavily to keep costs and Non-Performing Assets (NPAs) low. With stricter underwriting practices and close monitoring of client repayment, the NBFCs are expected to emerge strongly from the crisis going ahead.

### Segment-wise or product-wise performance

The Company has only one segment

and entire revenue is generated from financial activities only. The year 2019-20 was a challenging year for company in terms of revenue and profit. It has booked a loss of ₹ 253.93 Lacs for the year ended 31st March 2020, largely because of provisioning of higher NPA in books, as the company has taken conservative approach due to Covid 19 and as per RBI regulatory norms issued from time to time. Company's loan book size has reduced during the year 2020 as compared to its previous year and accordingly interest income has also reduced to ₹ 691.16 Lacs for the year 2019-20. On the other hand the finance cost has drastically reduced to ₹ 46.20 Lacs during the year 2019-20 as compared to ₹ 743.01 Lacs in its previous year. Your company is a zero debt company as on 31st March, 2020.

Since the first quarter of CY 2020, the outbreak of Covid 19 Pandemic has impacted most of the countries globally. It has deeply affected the global economy and all the business around. RBI has announced regulatory packages for borrowers and allowing them to avail the moratorium benefit from banks/NBFCs on term loan in repaying principle and interest for the period falling between 01.03.2020 to 31.08.2020. The company has extended moratorium to clients on specific requests in line with the package.

Considering the decrease in loan book and the prevailing situation, the focus is to control on operating cost and reduce fixed cost and unproductive overheads to become more futuristic.

### Discussion on financial performance with respect to operational performance

Ashika follows accrual basis of accounting under the historical cost convention. It has adopted Indian Accounting Standards ("Ind

## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

AS") notified under section 133 of the Companies Act 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 from April 1, 2019 and the effective date of such transition is April 1, 2018. Previous year figures in Financial statements have been restated to Ind AS.

### Balance Sheet

- ❖ Net worth declined to ₹ 46.28 cr as on March 31, 2020 as compared to ₹ 48.73 cr as on March 31, 2019,

owing to operational losses suffered during the year.

- ❖ Borrowings for FY2019-20 declined to zero as compared to ₹ 16.83 cr during FY2018-19 owing to debt repayments during the year.

### Profit and loss statement

- ❖ Total expenses for FY2019-20 stood increased to ₹ 10.66 cr as compared to ₹ 6.50 cr in FY2018-19 owing to adjustments in the impairment of financial instruments.

- ❖ Depreciation and amortisation increased to ₹ 0.63 cr in FY2019-20 as compared to ₹ 0.48 cr in 2018-19.

- ❖ PBT and EBITDA reported a negative growth owing to higher provisioning owing to application of Indian Accounting Standards.

### Summary of Key Financial Metrics and Key Ratios

(Amt in ₹ Lacs)

Key Metrics	FY 2019-2020	FY 2018-2019
Revenue from Operations	710.57	1807.26
Profit/(Loss) before Tax	(351.74)	1156.99
Profit/(Loss) After Tax	(97.81)	311.98
EPS (₹ per share)	(2.17)	7.58

### Significant Ratios

As per provisions of SEBI Listing Regulations, 2015, the significant financial ratios are given below :

Key ratio	FY 2019-2020	FY 2018-2019	YoY change	Explanation
Debtor Turnover	-	-	-	NA
Inventory Turnover	-	-	-	NA
Debt Equity ratio	0	0.35	(0.35)	On account of repayment of borrowed funds in the FY 2019-2020.
Current Ratio (times)	43.5	3.5	40	
Interest coverage Ratio (times)	(6.61)	2.56	(9.17)	Due to decrease in loan book which impacted interest income and higher provision on account of Expected Credit Loss Policy
Operating Profit Margin (%)	(49.50)	64.02	(113.52)	
Net profit Margin (%)	(35.74)	46.76	(82.50)	
Return on Net Worth (%)	(5.21)	21.77	(26.98)	

### Risks and concerns

Effective risk management is a key success factor for realising our strategic objectives. Ashika has implemented an internal risk management and control framework to identify risks and opportunities that may impact us and to take appropriate mitigation initiatives. It has a dedicated risk management framework to identify and manage the strategic, operational, financial, and compliance risks to which Ashika is exposed. In addition, the framework enables us to improve effectiveness and efficiency in our operations and it promotes reliable financial reporting, and compliance with laws and regulations.

## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

### Risk management framework



### Some of the key identified risks include:

#### Industry risk

The risk includes unfavourable developments in the industry

**Ashika response:** We consistently monitor the change in the external environment and flexibly adapt the situation with the right response to achieve strategic ambitions and priorities.

#### Interest risk

The risk includes adverse impact on the financial position owing to increase in finance cost.

**Ashika response:** The Company is not exposed to interest rate risk as it has borrowings at fixed rate of interest. There are no long term borrowings at floating interest rate which would affect the profitability of the Company due to fluctuation in interest rate. We efficiently utilised our cash reserves to pay off the debts and mitigated the impact of the interest cost.

#### Credit risk

The risk may arise in the event of the borrower failing to meet its obligations in accordance with agreed terms. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

**Ashika response:** We efficiently monitor the credit risk inherent in the entire portfolio as well as the risk in individual credits or transactions to ensure lower NPAs. We have 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.

#### Operational risk

The risk includes adverse developments resulting from internal processes,

people and systems.

**Ashika response:** Our processes and systems are defined as per the organisational goals and long-term vision. Our people are regularly trained to ensure best customer experience. Overall, there is a complete integration of people, processes and system to ensure smooth functioning of operations.

#### Liquidity risk

The risk arises out of a higher expenses and slower incoming cash flows.

**Ashika response:** We maintain adequate liquidity amidst challenging times to ensure smooth functioning of business operations.

#### Employee risk

The risk arises on the event of high attrition of key personals.

**Ashika response:** We regularly conduct training and workshops to keep the employee morale high and

## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

align the mindsets with the company vision. As a result, large part of our team has been with the Company for over several years.

### Compliance risk

The risk include unanticipated failures to implement of comply with relevant laws and regulations.

**Ashika response:** We strive for full compliances and ensure timely communications to the regulatory bodies.

### Internal control systems and their adequacy

The Company's Internal Financial Control System is commensurate with the size, scale and complexity of its operations. The Company has in place policies and procedures required to properly and efficiently conduct its business, safeguard its assets, detect frauds and errors, maintain accuracy and completeness of accounting records and prepare financial records in a timely and reliable manner. Further, your Company's Internal Financial Controls (IFC) has been reviewed and actions have been taken to strengthen financial reporting and overall risk management procedures. Detailed procedural manuals are in place to ensure that all the assets are safeguarded, protected against loss, proper prevention & detection of frauds & error, the accuracy and completeness of the accounting records, and all transactions are authorized, recorded and reported correctly.

The scope and authority of the Internal Audit (IA) function is defined in the internal financial control policy. These are monitored and routinely monitor and evaluated by the Statutory as well as Internal Auditors. The Internal Auditor monitors and evaluates the efficiency and adequacy of Internal Financial control system

in the Company, its compliance with operating systems, accounting procedures and policies. To maintain its objectivity and independence, the Internal Auditor reports directly to the Chairman of the Audit Committee of the Board, all the significant audit observations and follow up actions thereon. Both Statutory and internal auditor have quarterly sessions with the Audit committee. The Internal audit reports are placed before the Audit committee on quarterly basis and all findings and observation, if any are recorded thereon. The said observation and comments, if any of the Audit Committee are placed before the board. The Internal Auditor is a permanent invitee to the Audit Committee Meetings. The Audit Committee advises on various risk mitigation exercises on a regular basis.

Haribhakti & Co LLP, the statutory auditors of the company have 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 & presence, the conduct of internal audit is oriented towards the review of internal controls and risks in the company's operations such as accounting and finance, Interest amount, credit risk, compliance risk, liquidity risk, employee engagement.

The audit committee also reviews reports submitted by the management and audit reports submitted by internal auditors and statutory auditors on periodic basis. Suggestions for improvement are considered and the audit committee follows up on corrective action. The audit committee also meets company's statutory

auditors to ascertain, inter alia, their views on the adequacy of internal control systems and keeps the board of directors informed of its major observations, if any, periodically.

Your Board is of the opinion that the Internal Financial Controls, affecting the Financial Statements of your Company are adequate and are operating effectively.

### Material developments in Human Resources / Industrial Relations

Ashika believes that the quality of the employees is the key to its success and is committed to providing necessary human-resource development and training opportunities to equip employees with additional skills to enable them to adapt to contemporary industry challenges and evolving workplace requirements. Acknowledging that human resources play a crucial role in enabling it to meet its objectives, the Company chooses its people very carefully, ensuring that they conform to the company's culture and follow its values and belief system. We have a learning management system that plays an active role in standardising various processes that are crucial to various work functions, such as administration, documentation and overall customer servicing. Industrial relations during the year continued to be cordial, and Ashika is committed to maintaining these relations through effective communication, meetings and negotiation.

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Ind AS Financial Statements

#### Opinion

We have audited the accompanying Ind AS financial statements of Ashika Credit Capital Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, 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, of the state of affairs of the Company as at March 31, 2020, its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

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

Sr. No.	Key Audit Matters	How the matter was addressed in our audit:
1.	<p><b>Transition to Ind AS</b></p> <p>The Company has adopted Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 from April 01, 2019 and the effective date of such transition is April 01, 2018. For periods up to and including the year ended March 31, 2019, the Company had prepared and presented its financial statements in accordance with Accounting Standards prescribed under the section 133 of the Act (Indian GAAP).</p> <p>Accordingly, for transition to Ind AS, the Company has prepared its financial statements for the year ended March 31, 2020, together with the comparative financial information for the previous year ended March 31, 2019 and the opening Balance Sheet as at April 01, 2018 under Ind AS.</p> <p>Ind AS are new and complex accounting standards which require considerable judgment and interpretation in their implementation. Further, Ind AS 101 ("First-time Adoption of Indian Accounting Standards") allows two categories of exceptions to the first-time adopters, which mainly includes prohibition to retrospective application of certain requirements of Ind AS and exemption from some requirements of Ind AS.</p>	<p>Our audit procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> <li>- Assessed the Company's process to identify the impact of adoption and transition to Ind AS;</li> <li>- Evaluated the design of internal controls and tested the operating effectiveness of key internal controls around the process of preparation of standalone Ind AS financial statements;</li> <li>- Reviewed the mandatory and optional exemptions and exceptions allowed by Ind AS and availed by the Company in applying the first-time adoption principles of Ind AS 101;</li> <li>- Obtained an understanding of the governance over the determination of key judgments;</li> <li>- Evaluated and tested the key assumptions and judgments adopted by management in line with principles under Ind AS;</li> <li>- Assessed the disclosures made as required by the relevant Ind AS; and</li> </ul>



**INDEPENDENT AUDITOR'S REPORT (Contd.)**

Sr. No.	Key Audit Matters	How the matter was addressed in our audit:
	<p>We consider this transition and the required disclosures to be a key audit matter because new accounting policies have been adopted by the Company to comply with these standards. Note No. 1(b) "Significant Accounting Policies", Note No. 32 "First time Adoption" and Note No. 34 "Financial Instruments and Related Disclosures" to the Ind AS financial statements provides detailed information on the significant policies, critical judgement and estimation along with details of exemptions applied from certain requirements under Ind AS, based on which these Ind AS financial statements are prepared.</p>	<ul style="list-style-type: none"> <li>- Determined the appropriateness of the methodologies and models used along with the responsibility of the outputs.</li> </ul>
2.	<p><b>Impairment loss allowance of loans</b></p> <p>Impairment loss allowance of loans ("Impairment loss allowance") is a key audit matter as the Company has significant credit risk exposure. The value of loans on the balance sheet is significant and there is a high degree of complexity and judgment involved for the Company in estimating individual and collective credit impairment provisions, write-offs against these loans and to additionally determine the potential impact of unprecedented COVID-19 pandemic on asset quality and provision of the Company.</p> <p>The Company's model to calculate expected credit loss ("ECL") is inherently complex and judgment is applied in determining the three-stage impairment model ("ECL Model"), including the selection and input of forward-looking information. ECL provision calculations require the use of large volumes of data. The completeness and reliability of data can significantly impact the accuracy of the modelled impairment provisions. The accuracy of data flows and the implementation of related controls are critical for the integrity of the estimated impairment provisions.</p>	<p>We started our audit procedures with the understanding of the internal control environment related to Impairment loss allowance. Our procedures over internal controls focused on recognition and measurement of impairment loss allowance. We assessed the design and tested the operating effectiveness of the selected key controls implemented by the Company.</p> <p>We also assessed whether the impairment methodology used by the Company is in accordance with the assumptions and methodology approved by the Board of Directors of the Company, which is based on and in compliance with Ind AS 109, "Financial instruments". More particularly, we assessed the approach of the Company regarding the definition of default, Probability of Default, Loss Given Default and incorporation of forward-looking information for the calculation of ECL.</p> <p>For loans which are assessed for impairment on a portfolio basis, we performed particularly the following procedures:</p> <ul style="list-style-type: none"> <li>- tested the reliability of key data inputs and related management controls;</li> <li>- checked the stage classification as at the balance sheet date as per definition of default;</li> <li>- validated the ECL model and calculation;</li> <li>- calculated the ECL provision manually for a selected sample; and</li> <li>- 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 checked the DPD and provision in accordance with the RBI regulations in that regard, further considering the Regulatory Packages issued by RBI dated March 27, 2020, April 17, 2020 and May 23, 2020.</li> </ul>

## **INDEPENDENT AUDITOR'S REPORT (Contd.)**

### **Emphasis of Matter**

We draw attention to Note No. 38 to the Ind AS financial statements, which explains that the classification of assets overdue but standard as on February 29, 2020 and where moratorium benefit has been granted, the staging of those accounts as on March 31, 2020 is based on the days past due status as on February 29, 2020, which will remain at a standstill during the moratorium period, in accordance with the Reserve Bank of India COVID-19 Regulatory Package. Further, the Company considers that all the assets are recoverable. Also, 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.

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 Management Discussion and Analysis, 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 accordingly, 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 when it becomes available 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 other information, 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.

### **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:

## INDEPENDENT AUDITOR'S REPORT (Contd.)

- 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

The comparative financial information of the Company for the year ended March 31, 2019 and the transition date opening balance sheet as at April 01, 2018 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us whose report for the year ended March 31, 2019 and March 31, 2018 dated April 22, 2019 and May 28, 2018 respectively expressed a modified opinion and unmodified opinion respectively on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

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, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

## INDEPENDENT AUDITOR'S REPORT (Contd.)

- 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. The matter described under the Emphasis of Matter section above, in our opinion, may have an adverse effect on the functioning of the Company;
- f. On the basis of the written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164(2) of the Act;
- g. 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";
- h. 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;

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. Further, the remuneration paid by the Company to its Chairman and Managing Director during the year is in excess of the limits laid down under sub-section (3) of section 197 of the Act and the requisite approval in accordance with the said section read with Schedule V to the Act has been obtained by the Company – refer Note No.36.1 to the Ind AS financial statements;

- i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note No.28 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.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W/W100048

**Mahesh Agarwal**

Partner

Membership No.067806

UDIN : 20067806AAAAAF3811

Place: Kolkata

Date: June 15, 2020

## ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

**[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of Ashika Credit Capital Limited ("the Company") on the Ind AS financial statements for the year ended March 31, 2020.]**

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 and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, the fixed assets 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 immovable properties recorded as fixed assets in the books of accounts of the Company are held in the name of the Company, except for the details given below:

Land/ Building	Total number of cases	Leasehold/ Freehold	Gross Block as on March 31, 2020	Net Block as on March 31, 2020	Remarks
Building	1	Freehold	₹ 13.26 Lacs	₹ 12.76 Lacs	Conveyance is pending

- (ii) The Company does not have any inventory and hence reporting under clause 3(ii) of the Order is not applicable to the Company.
- (iii) The Company has granted unsecured loans to companies covered in the register maintained under section 189 of the Act.
- (a) The terms and conditions of the aforesaid loans granted by the Company are not prejudicial to the interest of the Company.
- (b) The schedule of repayment of principal and payment of interest in respect of the aforesaid loans has been stipulated and the repayments or receipts of principal amounts and interest are regular.
- (c) There is no amount which is overdue in respect of the aforesaid loans.
- Further no loan, secured or unsecured, has been granted to firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
- (iv) The Company has complied with the provisions of sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) In our opinion, the Company has not accepted any deposits from the public within the provisions of sections 73 to 76 of the Act and the rules framed there under. Accordingly, the provisions of clause 3(v) of the Order are 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 regular in depositing with appropriate authorities, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax (GST), customs duty, cess and any other material statutory dues applicable to it, except that there have been slight delay in few cases. 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 aforesaid dues, 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 sales tax, service tax, value added tax, GST, customs duty and duty of excise which have not been deposited on account of any dispute. The dues outstanding as at March 31, 2020 with respect to income tax on account of any dispute, are as follows:

Name of the Statute	Nature of dues	Amount ₹ in Lacs	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	0.35	Financial Year 2014-15	Commissioner of Income Tax (Appeals), Kolkata
Income Tax Act, 1961	Income Tax	*23.85	Financial Year 2016-17	Commissioner of Income Tax (Appeals), Kolkata

\* Net of amount paid under protest amounting to ₹ 6.30 lacs.



## **ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)**

- (viii) During the year, the Company has not defaulted in repayment of loans or borrowings to financial institution. During the year, the Company has not taken any loans or borrowings from any bank or government nor has it issued any debentures.
- (ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) or term loans during the year. Accordingly, clause 3(ix) of the Order is not applicable to the Company.
- (x) 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 or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) Managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion the Company is not a Nidhi Company. Therefore, clause 3(xii) of the Order is not applicable to the Company.
- (xiii) All transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of Act, where applicable, and the details have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- (xiv) The Company had made preferential allotment of 10,80,000 fully convertible equity warrants during the FY 2017-18 and pursuant to exercise of option by warrant holder, 5,40,000 warrants were converted into fully paid-up equity shares during FY 2018-19 and remaining 5,40,000 warrants were converted into fully paid-up equity shares during the year. In our opinion, the requirement of section 42 of the Act has been complied with and the amount raised has been used for the purposes for which funds were raised.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with them during the year and hence provisions of section 192 of the Act are not applicable.
- (xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the registration has been obtained by the Company.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W/W100048

**Mahesh Agarwal**

Partner

Membership No.067806

UDIN : 20067806AAAAAF3811

Place: Kolkata

Date: June 15, 2020

## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

**[Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of Ashika Credit Capital Limited ("the Company") on the Ind AS financial statements for the year ended March 31, 2020.]**

**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, 2020 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 AUDITOR'S REPORT (Contd.)**

### **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, 2020, 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 **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W/W100048

**Mahesh Agarwal**

Partner

Membership No.067806

UDIN : 20067806AAAAAF3811

Place: Kolkata

Date: June 15, 2020

**BALANCE SHEET AS AT 31ST MARCH, 2020**

(₹ in lakhs)

Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
<b>ASSETS</b>				
<b>(1) Financial Assets</b>				
(a) Cash and Cash Equivalents	2	74.09	899.11	1,557.56
(b) Bank Balance other than above	3	19.73	-	-
(c) Loans	4	4,209.00	5,569.76	11,289.36
(d) Investments	5	0.01	0.01	0.01
(e) Other Financial Assets	6	1.93	1.93	1.93
<b>(2) Non-Financial Assets</b>				
(a) Current Tax Assets (net)	7	97.91	124.58	99.34
(b) Deferred Tax Assets (net)	8	290.27	123.28	206.56
(c) Investment Property	9	12.76	13.01	13.26
(d) Property, Plant and Equipment	10	5.17	5.67	5.45
(e) Other Non-Financial Assets	11	12.11	6.28	3.21
<b>TOTAL ASSETS</b>		<b>4,722.98</b>	<b>6,743.63</b>	<b>13,176.68</b>
<b>Liabilities and Equity</b>				
<b>LIABILITIES</b>				
<b>(1) Financial Liabilities</b>				
(a) Payables	12			
(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		-	-	-
(b) Borrowings (Other than Debt Securities)	13	-	1,683.00	9,173.73
(c) Other Financial Liabilities	14	35.03	35.29	88.79
<b>(2) Non-Financial Liabilities</b>				
(a) Current Tax Liabilities (net)	15	25.66	113.17	-
(b) Provisions	16	24.31	20.05	18.44
(c) Other Non-Financial Liabilities	17	9.74	19.24	14.37
<b>Total Liabilities</b>		<b>94.74</b>	<b>1,870.75</b>	<b>9,295.33</b>
<b>(3) Equity</b>				
(a) Equity Share Capital	18	1,188.17	1,134.17	1,080.17
(b) Other Equity	19	3,440.07	3,738.71	2,801.18
<b>Total Equity</b>		<b>4,628.24</b>	<b>4,872.88</b>	<b>3,881.35</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>4,722.98</b>	<b>6,743.63</b>	<b>13,176.68</b>

**Significant Accounting Policies and Notes to Financial Statements**

1-42

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 **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 103523W/W100048

For and on behalf of the Board of Directors

**Mahesh Agarwal**

Partner

Membership No. 067806

Place: Kolkata

Date: 15th June 2020

**Pawan Jain**

Chairman

(DIN: 00038076)

**Anju Mundhra**

Company Secretary

**Daulat Jain**

Managing Director &amp; Chief Executive Officer

(DIN: 00040088)

**Gaurav Jain**

Chief Financial Officer

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in lakhs)

Particulars	Note No.	Year ended 31st March, 2020	Year ended 31st March, 2019
<b>Revenue from Operations</b>			
(i) Interest Income	20	691.16	1,807.26
(ii) Net gain on fair value changes	21	19.41	-
<b>(I) Total Revenue from Operations</b>		<b>710.57</b>	<b>1,807.26</b>
(II) Other Income	22	3.31	0.03
<b>(III) Total Income (I+II)</b>		<b>713.88</b>	<b>1,807.29</b>
<b>Expenses</b>			
(i) Finance Costs	23	46.20	743.01
(ii) Impairment on Financial Instruments (net)	24	650.03	(394.02)
(iii) Employee Benefits Expenses	25	269.75	213.46
(iv) Depreciation, Amortisation and Impairment Expense	9-10	0.63	0.48
(v) Other Expenses	26	99.01	87.37
<b>(IV) Total Expenses</b>		<b>1,065.62</b>	<b>650.30</b>
<b>(V) Profit/(Loss) before exceptional items &amp; tax (III-IV)</b>		<b>(351.74)</b>	<b>1,156.99</b>
(VI) Exceptional Items		-	-
<b>(VII) Profit/(Loss) before tax (V-VI)</b>		<b>(351.74)</b>	<b>1,156.99</b>
(VIII) Tax Expense:			
(a) Current Tax		68.35	229.00
(b) Deferred Tax		(167.07)	82.98
(c) Tax adjustment for earlier years		0.91	-
<b>Total Tax Expense</b>		<b>(97.81)</b>	<b>311.98</b>
<b>(IX) Profit/(Loss) After Tax (VII-VIII)</b>		<b>(253.93)</b>	<b>845.01</b>
<b>(X) Other Comprehensive Income</b>			
(i) Items that will not be reclassified to Profit or Loss			
(a) Remeasurement Gains on Defined Benefit Plan		0.28	1.02
(b) Income Tax on above		(0.08)	(0.30)
<b>Total Other Comprehensive Income (net of tax)</b>		<b>0.20</b>	<b>0.72</b>
<b>(XI) Total Comprehensive Income for the year (IX+X)</b>		<b>(253.73)</b>	<b>845.73</b>
<b>(XII) Earnings per Equity Share of Par Value of ₹ 10/- each</b>	27		
<b>Basic and diluted (in ₹)</b>		<b>(2.17)</b>	<b>7.58</b>

### Significant Accounting Policies and Notes to Financial Statements 1-42

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 **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 103523W/W100048

**Mahesh Agarwal**

Partner

Membership No. 067806

Place: Kolkata

Date: 15th June 2020

For and on behalf of the Board of Directors

**Pawan Jain**

Chairman

(DIN: 00038076)

**Anju Mundhra**

Company Secretary

**Daulat Jain**

Managing Director & Chief Executive Officer

(DIN: 00040088)

**Gaurav Jain**

Chief Financial Officer



**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in lakhs)

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>A. Cash Flow from Operating Activities</b>		
<b>Profit Before Tax</b>	<b>(351.74)</b>	<b>1,156.99</b>
Adjustments for:		
Depreciation, Amortisation and Impairment Expense	0.63	0.48
Liability No Longer Required written back	(0.01)	(1.53)
Impairment on Financial Instruments (Loans)	660.03	(64.02)
Interest on income tax refund	(3.21)	-
Interest on income tax	5.14	6.46
Net Loss on Derecognition of Property, Plant and Equipment	0.32	-
Net Gain on Fair Value Changes on Investment in Mutual Funds	(19.41)	-
<b>Operating profit before working capital changes</b>	<b>291.75</b>	<b>1,098.38</b>
<b>Movements in Working Capital :</b>		
(Increase)/Decrease in Loan Assets	700.72	5,783.62
Increase/ (Decrease) in Other Financial Liabilities	(0.26)	(53.50)
Increase/ (Decrease) in Other Non-Financial Liabilities	(4.97)	9.04
(Increase)/ Decrease in Receivables and Other Assets	(5.81)	(1.97)
(Increase)/ Decrease in Other Bank Balances (unclaimed dividend)	(19.73)	-
<b>Cash Generated in Operations</b>	<b>961.70</b>	<b>6,835.57</b>
Direct Taxes Paid (net of refunds)	(132.02)	(148.64)
<b>Net Cash Generated from Operating Activities (A)</b>	<b>829.68</b>	<b>6,686.93</b>
<b>B. Cash Flow from Investing Activities</b>		
Proceeds from sale of Investments	2,506.41	-
Purchase of Property, Plant and Equipment	(0.20)	(0.45)
Purchase of Investments	(2,487.00)	-
<b>Net Cash (Used in) / Generated from Investing Activities (B)</b>	<b>19.21</b>	<b>(0.45)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from issue of equity shares (including securities premium) [Refer Note No.18 (e)]	145.80	145.80
Dividend Paid	(113.40)	-
Corporate Dividend Tax	(23.31)	-
Amount received from borrowings (other than debt securities)	105.00	22,653.63
Repayment of borrowings other than debt securities	(1,788.00)	(30,144.36)
<b>Net Cash used in Financing Activities (C)</b>	<b>(1,673.91)</b>	<b>(7,344.93)</b>
<b>Net Decrease in Cash and Cash Equivalents (A+B+C)</b>	<b>(825.02)</b>	<b>(658.45)</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>899.11</b>	<b>1,557.56</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>74.09</b>	<b>899.11</b>
<b>Net Cash (Used in)/Generated from operating activities includes:</b>		
Interest received	634.37	1,882.08
Interest paid	(41.06)	(802.41)

(₹ in lakhs)

Components of Cash and Cash Equivalents:	As at 31st March, 2020	As at 31st March, 2019
<b>Cash and Cash Equivalents at the end of the year</b>		
(a) Cash on hand	1.06	2.69
(b) Balances with Bank - in Current Account	73.03	571.53
(c) Cheques on hand	-	324.89
	<b>74.09</b>	<b>899.11</b>

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)

### Change in Liability Arising From Financing Activities

(₹ in lakhs)

Particulars	As at 1st April, 2019	Movement		As at 31st March, 2020
		Cash	Non-Cash	
Borrowings (Other than Debt Securities)	1,683.00	(1,683.00)	-	-

(₹ in lakhs)

Particulars	As at 1st April, 2018	Movement		As at 31st March, 2020
		Cash	Non-Cash	
Borrowings (Other than Debt Securities)	9,173.73	(7,490.73)	-	1,683.00

### Explanations:

- The above Statement of Cash Flows has been prepared under the Indirect Method as set out in the Indian Accounting Standard 7 'Statement of Cash Flows'.
- Previous year figures have been rearranged/ regrouped wherever necessary to conform to the current year's classification.

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

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 103523W/W100048

**Mahesh Agarwal**

Partner

Membership No. 067806

Place: Kolkata

Date: 15th June 2020

For and on behalf of the Board of Directors

**Pawan Jain**

Chairman

(DIN: 00038076)

**Anju Mundhra**

Company Secretary

**Daulat Jain**

Managing Director & Chief Executive Officer

(DIN: 00040088)

**Gaurav Jain**

Chief Financial Officer

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

### A. Equity Share Capital

(₹ in lakhs)

Particulars	Amount
<b>As at 1st April, 2018</b>	<b>1,080.17</b>
Changes in Equity share capital during the year	54.00
<b>As at 31st March, 2019</b>	<b>1,134.17</b>
Changes in Equity share capital during the year	54.00
<b>As at 31st March, 2020</b>	<b>1,188.17</b>

### 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 Account	Retained Earnings		
<b>Balance as at the 1st April, 2018 (restated)</b>	<b>184.47</b>	<b>3,081.21</b>	<b>(561.70)</b>	<b>97.20</b>	<b>2,801.18</b>
Profit for the year	-	-	845.01	-	845.01
Remeasurement Gains on Defined Benefit Plan (net of tax)	-	-	0.72	-	0.72
Transfer from retained earnings	151.19	-	(151.19)	-	-
On account of issue of equity shares [Refer Note No. 18(e)]	-	140.40	-	(48.60)	91.80
<b>Balance as at 31st March, 2019</b>	<b>335.66</b>	<b>3,221.61</b>	<b>132.84</b>	<b>48.60</b>	<b>3,738.71</b>
Balance as at the 1st April, 2019	335.66	3,221.61	132.84	48.60	3,738.71
Profit for the year	-	-	(253.93)	-	(253.93)
Remeasurement Gains on Defined Benefit Plan (net of tax)	-	-	0.20	-	0.20
Dividend and Corporate Dividend Tax	-	-	(136.71)	-	(136.71)
Transfer from retained earnings	-	-	-	-	-
On account of issue of equity shares [Refer Note No. 18(e)]	-	140.40	-	(48.60)	91.80
<b>Balance as at 31st March, 2020</b>	<b>335.66</b>	<b>3,362.01</b>	<b>(257.60)</b>	<b>-</b>	<b>3,440.07</b>

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

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 103523W/W100048

**Mahesh Agarwal**

Partner

Membership No. 067806

Place: Kolkata

Date: 15th June 2020

For and on behalf of the Board of Directors

**Pawan Jain**

Chairman

(DIN: 00038076)

**Anju Mundhra**

Company Secretary

**Daulat Jain**

Managing Director & Chief Executive Officer

(DIN: 00040088)

**Gaurav Jain**

Chief Financial Officer

## 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 (w.e.f 25th June, 2019) 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 ("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.

These financial statements were approved for issue by the Board of Directors of the Company on 15th June, 2020.

### 1(b) Significant Accounting Policies

#### 1.1 Statement of compliance

In accordance with the notification issued by the Ministry of Corporate Affairs ("the MCA"), the Company has adopted 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 from time to time, from 1st April, 2019 and the effective date of such transition is 1st April, 2018. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the RBI (collectively referred to as "the Previous GAAP").

Previous period numbers in the financial statements have been restated to Ind AS. In accordance with Ind AS 101 First time Adoption of Indian Accounting Standards, the Company has presented a reconciliation from the Previous GAAP to Ind AS of Other Equity as at 1st April, 2018 and 31st March, 2019 and of the Total Comprehensive Income for the period ended 31st March 2019. Refer Note No. 1.15 for the details of first-time adoption exemptions availed by the Company and Note No.32 for Reconciliation of Equity and Total Comprehensive Income for numbers reported under the Previous GAAP to Ind AS.

#### 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. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

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. 1.17 - 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 Lakhs, except otherwise indicated.

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

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS (Contd.)

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 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.

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 (net of provision) 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.

### 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.

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. 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.

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.



## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS (Contd.)

### 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 capitalisation.

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 & 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.

Long-Term compensated absences are provided for based on actuarial valuation as per projected unit credit method at the Balance Sheet date.

### 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

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS (Contd.)

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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases.

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.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

### 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 derecognised 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.

### Derecognition

An item of property, plant and equipment is derecognized 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

## **SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS (Contd.)**

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 Profit & 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. For transition to Ind AS, the company has elected to adopt as deemed cost, the carrying value of investment property as per Indian GAAP less accumulated depreciation and cumulative impairment, (if any) as on the transition date of April 01, 2018.

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 Companies Act, 2013 or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis

An investment property is derecognised 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 derecognition of property is recognised in the Statement of Profit and Loss in the same period.

### **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

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS (Contd.)

contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

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

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

### Contingent Liabilities

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

### Contingent Assets

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

### 1.12 Cash and cash equivalents

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

### 1.13 Segment Reporting

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

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

### 1.14 Financial Instruments

#### Classification of financial instruments

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

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

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

#### Business model assessment

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

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

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed.

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS (Contd.)

- 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 derecognised 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.



## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS (Contd.)

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

Financial assets at FVTPL include financial 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 for financial assets or financial liability is computed:

- a) At 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.
- b) By considering all the contractual terms of the financial instrument in estimating the cash flows.
- c) Including all fees received between parties to the contract that are integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

### 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 1.14.6 Overview of the Expected Credit Loss (ECL) principles.

### Derecognition of Financial Assets:

The Company derecognises 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 derecognition 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 fair value through other comprehensive income, 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 derecognition 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 derecognised, on the basis of the relative fair values of those parts on the date of the transfer.

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS (Contd.)

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 derecognition 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 & 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 fair value through profit or loss. 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

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS (Contd.)

of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

### Derecognition of financial liabilities

A financial liability is derecognised 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 derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised 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.

#### 1.14.5 Fair value measurement

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

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

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

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

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

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

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

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

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

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

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS (Contd.)

### 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 derecognised and is still in the portfolio.

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

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

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS (Contd.)

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 First time adoption

These financial statements, for the year ended 31st March, 2020 are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31st March, 2019 the Company prepared its financial statements in accordance with Accounting Standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31st March, 2020 together with the comparative period data as at and for the year ended 31st March, 2019 as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April, 2018 i.e. the Company's date of transition to Ind AS. In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below.

#### 1.15.1 Deemed cost for property, plant and equipment and Investment Property

The Company has elected to continue with the carrying value of all of its property, plant and equipment and investment property recognised as on the transition date measured as per the previous GAAP and used that carrying value as its deemed cost as on the transition date.

#### 1.15.2 Determining whether an arrangement contains a lease

Ind AS 116 requires entity to assess whether contract or arrangement contains a lease. In accordance with same, this assessment should be carried out at the inception of the arrangement. However, the Company has used exemption under Ind AS 101 and assessed all arrangements based on the facts and circumstances that existed as on transition date.

#### 1.15.3 Derecognition of financial assets and financial liabilities

As per Ind AS 101 – An entity shall apply the exception to the retrospective application in case of “derecognition of financial assets and financial liabilities” wherein a first-time adopter shall apply the derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. For example, if a first-time adopter derecognised non-derivative financial assets or non-derivative financial liabilities in accordance with its previous GAAP as a result of a transaction that occurred before the date of transition to Ind AS, it shall not recognise those assets and liabilities in accordance with Ind AS (unless they qualify for recognition as a result of a later transaction or event). The Company has opted not to re-evaluate financial assets derecognised in the past and to apply the derecognition requirements prospectively for transactions occurring on or after the transition date.

#### 1.15.4 Classification of Debt Instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as on the transition date.



## **SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS (Contd.)**

### **1.15.5 Impairment of Financial Assets**

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

### **1.15.6 Mandatory Exceptions**

Following mandatory exceptions are applicable to the Company:

#### **Estimates**

The estimates at 1st April, 2018 and at 31st March, 2019 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies).

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1st April 2018, the date of transition to Ind AS and as at 31st March, 2019.

#### **Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

### **1.16 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 diluted 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.

### **1.17 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:

#### **1.17.1 Impairment losses on loans and advances**

The measurement of impairment losses across all categories of financial asset 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.

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS (Contd.)

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

### 1.17.2 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 derecognised 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.

### 1.17.3 Contingent liabilities and provisions other than impairment of loan portfolio

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

### 1.17.4 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.

### 1.17.5 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.

### 1.17.6 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.

### 1.17.7 Other estimates

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

## 1.18 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.

## 1.19 Recent accounting pronouncements

MCA notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2020.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

2 CASH AND CASH EQUIVALENTS <span style="float: right;">(₹ in lakhs)</span>			
Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Cash on Hand	1.06	2.69	4.90
Balances with banks - in Current Account	73.03	571.53	1,482.88
Cheques on Hand	-	324.89	69.78
<b>Total</b>	<b>74.09</b>	<b>899.11</b>	<b>1,557.56</b>

3 BANK BALANCE OTHER THAN ABOVE <span style="float: right;">(₹ in lakhs)</span>			
Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
<b>Balances with banks</b>			
Unclaimed Dividend Accounts	19.73	-	-
<b>Total</b>	<b>19.73</b>	<b>-</b>	<b>-</b>

4 LOANS <span style="float: right;">(₹ in lakhs)</span>						
Particulars	As at 31st March, 2020					Total
	Amortised Cost	At fair value			Subtotal	
		Through Other Compre- hensive Income	Through profit or loss	Designated at fair value through profit or loss		
Loans						
<b>(A)</b>						
(i) Term Loans	4,452.15	-	-	-	-	4,452.15
(ii) Other Loans						
-Inter-corporate Deposits	670.40	-	-	-	-	670.40
<b>Total A (Gross)</b>	<b>5,122.55</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,122.55</b>
Less: Impairment loss allowance	913.55	-	-	-	-	913.55
<b>Total A (Net)</b>	<b>4,209.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,209.00</b>
<b>(B)</b>						
(i) Secured by tangible assets <sup>1</sup>	58.28	-	-	-	-	58.28
(ii) Secured by intangible assets <sup>2</sup>	1,459.32	-	-	-	-	1,459.32
(iii) Unsecured	3,604.95	-	-	-	-	3,604.95
<b>Total B (Gross)</b>	<b>5,122.55</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,122.55</b>
Less: Impairment loss allowance	913.55	-	-	-	-	913.55
<b>Total B (Net)</b>	<b>4,209.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,209.00</b>
<b>(C) (I) Loans in India</b>						
(i) Public Sector	-	-	-	-	-	-
(ii) Others	5,122.55	-	-	-	-	5,122.55
<b>Total (C) (I) (Gross)</b>	<b>5,122.55</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,122.55</b>
Less: Impairment loss allowance	913.55	-	-	-	-	913.55
<b>Total (C) (I) (Net)</b>	<b>4,209.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,209.00</b>
<b>(C) (II) Loans outside India</b>						
Less: Impairment loss allowance	-	-	-	-	-	-
<b>Total (C) (II) (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (C) (I) (Net) and C (II) (Net)</b>	<b>4,209.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,209.00</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)

### 4 LOANS (Contd.)

(₹ in lakhs)

Particulars	As at 31st March, 2019					Total
	Amortised Cost	At fair value			Subtotal	
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss		
Loans						
<b>(A)</b>						
(i) Term Loans	4,936.54	-	-	-	-	4,936.54
(ii) Other Loans						
-Inter-corporate Deposits	886.74	-	-	-	-	886.74
<b>Total A (Gross)</b>	<b>5,823.28</b>	-	-	-	-	<b>5,823.28</b>
Less: Impairment loss allowance	253.52	-	-	-	-	253.52
<b>Total A (Net)</b>	<b>5,569.76</b>	-	-	-	-	<b>5,569.76</b>
<b>(B)</b>						
(i) Secured by tangible assets <sup>1</sup>	89.34	-	-	-	-	89.34
(ii) Secured by intangible assets <sup>2</sup>	1,510.76	-	-	-	-	1,510.76
(iii) Unsecured	4,223.18	-	-	-	-	4,223.18
<b>Total B (Gross)</b>	<b>5,823.28</b>	-	-	-	-	<b>5,823.28</b>
Less: Impairment loss allowance	253.52	-	-	-	-	253.52
<b>Total B (Net)</b>	<b>5,569.76</b>	-	-	-	-	<b>5,569.76</b>
<b>(C) (I) Loans in India</b>						
(i) Public Sector	-	-	-	-	-	-
(ii) Others	5,823.28	-	-	-	-	5,823.28
<b>Total (C) (I) (Gross)</b>	<b>5,823.28</b>	-	-	-	-	<b>5,823.28</b>
Less: Impairment loss allowance	253.52	-	-	-	-	253.52
<b>Total (C) (I) (Net)</b>	<b>5,569.76</b>	-	-	-	-	<b>5,569.76</b>
<b>(C) (II) Loans outside India</b>						
Less: Impairment loss allowance	-	-	-	-	-	-
<b>Total (C) (II) (Net)</b>	-	-	-	-	-	-
<b>Total (C) (I) (Net) and C (II) (Net)</b>	<b>5,569.76</b>	-	-	-	-	<b>5,569.76</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)

4 LOANS (Contd.)		(₹ in lakhs)				
Particulars	As at 1st April, 2018					Total
	Amortised Cost	At fair value			Subtotal	
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss		
<b>(A)</b>						
(i) Term Loans	9,767.22	-	-	-	-	9,767.22
(ii) Other Loans						
- Inter-corporate Deposits	1,842.54	-	-	-	-	1,842.54
<b>Total A (Gross)</b>	<b>11,609.76</b>	-	-	-	-	<b>11,609.76</b>
Less: Impairment loss allowance	320.40	-	-	-	-	320.40
<b>Total A (Net)</b>	<b>11,289.36</b>	-	-	-	-	<b>11,289.36</b>
<b>(B)</b>						
(i) Secured by tangible assets <sup>1</sup>	-	-	-	-	-	-
(ii) Secured by intangible assets <sup>2</sup>	6,829.15	-	-	-	-	6,829.15
(iii) Unsecured	4,780.61	-	-	-	-	4,780.61
<b>Total B (Gross)</b>	<b>11,609.76</b>	-	-	-	-	<b>11,609.76</b>
Less: Impairment loss allowance	320.40	-	-	-	-	320.40
<b>Total B (Net)</b>	<b>11,289.36</b>	-	-	-	-	<b>11,289.36</b>
<b>(C) (I) Loans in India</b>						
(i) Public Sector	-	-	-	-	-	-
(ii) Others	11,609.76	-	-	-	-	11,609.76
<b>Total (C) (I) (Gross)</b>	<b>11,609.76</b>	-	-	-	-	<b>11,609.76</b>
Less: Impairment loss allowance	320.40	-	-	-	-	320.40
<b>Total (C) (I) (Net)</b>	<b>11,289.36</b>	-	-	-	-	<b>11,289.36</b>
<b>(C) (II) Loans outside India</b>						
Less: Impairment loss allowance	-	-	-	-	-	-
<b>Total (C) (II) (Net)</b>	<b>-</b>	-	-	-	-	<b>-</b>
<b>Total (C) (I) (Net) and C (II) (Net)</b>	<b>11,289.36</b>	-	-	-	-	<b>11,289.36</b>

<sup>1</sup>Secured by underlying hypothecated assets.

<sup>2</sup>Secured against fully paid up equity shares which were kept as collateral with the Company by the parties to whom loans were disbursed by the Company.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)**

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

Particulars	As at 31st March, 2020				As at 31st March, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount opening balance</b>	<b>5,382.06</b>	-	<b>441.22</b>	<b>5,823.28</b>	<b>11,447.46</b>	-	<b>162.30</b>	<b>11,609.76</b>
New assets originated or purchased	4,735.46	-	14.77	4,750.23	31,191.09	-	-	31,191.09
Assets derecognised or repaid (excluding write offs)	(5,206.35)	-	(233.34)	(5,439.69)	(36,989.00)	-	-	(36,989.00)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(164.32)	164.32	-	-	-	-	-	-
Transfers to Stage 3	(600.00)	-	600.00	-	(264.63)	-	264.63	-
Interest on stage 3 assets	-	-	-	-	-	-	14.29	14.29
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Amounts written off	(11.27)	-	-	(11.27)	(2.86)	-	-	(2.86)
<b>Gross carrying amount closing balance</b>	<b>4,135.58</b>	<b>164.32</b>	<b>822.65</b>	<b>5,122.55</b>	<b>5,382.06</b>	-	<b>441.22</b>	<b>5,823.28</b>

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

Particulars	As at 31st March, 2020				As at 31st March, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>ECL allowance - opening balance</b>	<b>42.56</b>	-	<b>210.96</b>	<b>253.52</b>	<b>163.28</b>	-	<b>157.12</b>	<b>320.40</b>
New assets originated or purchased	100.11	-	-	100.11	246.66	-	-	246.66
Assets derecognised or repaid (excluding write offs)	(60.22)	-	(111.57)	(171.79)	(363.61)	-	-	(363.61)
Changes in ECL rate from previous financial year	11.07	-	123.26	134.33	-	-	(77.01)	(77.01)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(1.35)	1.35	-	-	-	-	-	-
Transfers to Stage 3	(4.74)	-	4.74	-	(3.77)	-	3.77	-
Impact on year end ECL of exposures transferred between stages during the year	-	2.12	595.26	597.38	-	-	127.08	127.08
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Amounts written off	-	-	-	-	-	-	-	-
<b>ECL allowance - closing balance</b>	<b>87.43</b>	<b>3.47</b>	<b>822.65</b>	<b>913.55</b>	<b>42.56</b>	-	<b>210.96</b>	<b>253.52</b>

iii) The contractual amount outstanding on loan assets that were written off during the reporting period is Nil (31st March, 2019: Nil, 1st April, 2018: ₹ 800 lakhs).

iv) The change in ECL 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.

**5 INVESTMENTS**

(₹ in lakhs)

Particulars	As at 31st March, 2020					Total
	Amortised Cost	At fair value			Subtotal	
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss		
Equity instruments	-	-	0.01	-	0.01	0.01
<b>Total A (Gross)</b>	-	-	<b>0.01</b>	-	<b>0.01</b>	<b>0.01</b>
(i) Investments outside India	-	-	-	-	-	-
(ii) Investments in India	-	-	0.01	-	0.01	0.01
<b>Total B (Gross)</b>	-	-	<b>0.01</b>	-	<b>0.01</b>	<b>0.01</b>
Less: Allowances for Impairment loss (C)	-	-	-	-	-	-
<b>Total - Net D=(A)-(C)</b>	-	-	<b>0.01</b>	-	<b>0.01</b>	<b>0.01</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)

(₹ in lakhs)

Particulars	As at 31st March, 2019					Total
	Amortised Cost	At fair value			Subtotal	
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss		
Equity instruments	-	-	0.01	-	0.01	0.01
<b>Total A (Gross)</b>	-	-	<b>0.01</b>	-	<b>0.01</b>	<b>0.01</b>
(i) Investments outside India	-	-	-	-	-	-
(ii) Investments in India	-	-	0.01	-	0.01	0.01
<b>Total B (Gross)</b>	-	-	<b>0.01</b>	-	<b>0.01</b>	<b>0.01</b>
Less: Allowances for Impairment loss (C)	-	-	-	-	-	-
<b>Total - Net D=(A)-(C)</b>	-	-	<b>0.01</b>	-	<b>0.01</b>	<b>0.01</b>

(₹ in lakhs)

Particulars	As at 1st April, 2018					Total
	Amortised Cost	At fair value			Subtotal	
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss		
Equity instruments	-	-	0.01	-	0.01	0.01
<b>Total A (Gross)</b>	-	-	<b>0.01</b>	-	<b>0.01</b>	<b>0.01</b>
(i) Investments outside India	-	-	-	-	-	-
(ii) Investments in India	-	-	0.01	-	0.01	0.01
<b>Total B (Gross)</b>	-	-	<b>0.01</b>	-	<b>0.01</b>	<b>0.01</b>
Less: Allowances for Impairment loss (C)	-	-	-	-	-	-
<b>Total - Net D=(A)-(C)</b>	-	-	<b>0.01</b>	-	<b>0.01</b>	<b>0.01</b>

Particulars	Face Value (₹)	Quantity			₹ in Lakhs		
		As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
<b>Investment Carried at Fair Value through Profit or Loss in Equity Instruments (Unquoted)</b>							
- Shishir Exports Pvt. Ltd.	10	-	62,610	62,610	-	-	-
- Maniratnam Flat Owners Association	1	1,298	1,298	1,298	0.01	0.01	0.01
<b>Total</b>		<b>1,298</b>	<b>63,908</b>	<b>63,908</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>

More information regarding the valuation methodologies can be found in Note No. 34(B).

### 6 OTHER FINANCIAL ASSETS

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Security Deposits			
- To Related Parties	1.60	1.60	1.60
- To others	0.33	0.33	0.33
<b>Total</b>	<b>1.93</b>	<b>1.93</b>	<b>1.93</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)

7 CURRENT TAX ASSETS (NET)				(₹ in lakhs)
Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018	
Advance income tax (net of provision for tax) [(Net of provision for income tax ₹ 38.14 lakhs) (31st March 2019: ₹ 38.14 lakhs, 1st April 2018: ₹ 38.14 lakhs)]	97.91	124.58	99.34	
<b>Total</b>	<b>97.91</b>	<b>124.58</b>	<b>99.34</b>	

### 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, 2020 and 31st March, 2019 is, as follows:

			(₹ in lakhs)	
Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019		
<b>Accounting profit before tax</b>	<b>(351.74)</b>	<b>1,156.99</b>		
Statutory Income Tax Rate	27.82%	29.12%		
Expected income tax expense at statutory income tax rate	(97.85)	336.92		
(i) Income exempt from tax / Items not deductible (net)	1.63	4.87		
(ii) Effect of indexation benefit / different tax rate on certain items	-	-		
(iii) Other differences	(1.59)	(29.81)		
<b>Total Tax Expense recognised in Statement of Profit and Loss</b>	<b>(97.81)</b>	<b>311.98</b>		
Total Tax Expense recognised in Other Comprehensive Income	(0.08)	(0.30)		

8 DEFERRED TAX ASSETS/(DEFERRED TAX LIABILITIES) (NET)					(₹ in lakhs)
Particulars	As at 1st April, 2019	Recognised/ (reversed) in Statement of Profit and Loss	Recognised/ (reversed) in Other Comprehensive Income	As at 31st March, 2020	
MAT Credit Entitlement	47.04	(10.88)	-	36.16	
Property Plant and Equipment	(0.01)	(0.06)	-	(0.07)	
Provision for Post retirement benefits	5.84	1.01	(0.08)	6.77	
Investments measured at FVTPL	5.47	(5.47)	-	-	
Loans measured at Amortised Cost	64.94	182.47	-	247.41	
<b>Net Deferred Tax Assets/(Liabilities)</b>	<b>123.28</b>	<b>167.07</b>	<b>(0.08)</b>	<b>290.27</b>	

					(₹ in lakhs)
Particulars	As at 1st April, 2018	Recognised/ (reversed) in Statement of Profit and Loss	Recognised/ (reversed) in Other Comprehensive Income	As at 31st March, 2019	
MAT Credit Entitlement	14.62	32.42	-	47.04	
Property Plant and Equipment	(0.15)	0.14	-	(0.01)	
Provision for Post retirement benefits	4.35	1.79	(0.30)	5.84	
Expenses allowable on payment basis	0.39	(0.39)	-	-	
Investments measured at FVTPL	4.84	0.63	-	5.47	
Carried Forward Losses and Unabsorbed Depreciation	103.18	(103.18)	-	-	
Loans measured at Amortised Cost	79.33	(14.39)	-	64.94	
<b>Net Deferred Tax Assets/(Liabilities)</b>	<b>206.56</b>	<b>(82.98)</b>	<b>(0.30)</b>	<b>123.28</b>	

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)

9 INVESTMENT PROPERTY				(₹ in lakhs)
Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018*	
<b>Opening Gross Carrying Amount</b>	<b>13.26</b>	<b>13.26</b>	<b>13.26</b>	
Additions/Adjustments	-	-	-	
Disposals/Adjustments	-	-	-	
<b>Closing Gross Carrying Amount</b>	<b>13.26</b>	<b>13.26</b>	<b>13.26</b>	
<b>Opening Accumulated Depreciation and Impairment Expense</b>	<b>0.25</b>	-	-	
Depreciation charge for the year	0.25	0.25	-	
<b>Closing Accumulated Depreciation and Impairment Expense</b>	<b>0.50</b>	<b>0.25</b>	-	
<b>Net Carrying Amount</b>	<b>12.76</b>	<b>13.01</b>	<b>13.26</b>	

\* The Company has used the Previous GAAP carrying value as deemed cost to measure the items of Investment Property as on the date of transition i.e. 1st April, 2018. (Gross Block less Accumulated Depreciation and Impairment Expense, as on 1st April, 2018).

(i) Amounts recognised in Statement of Profit and Loss for Investment Property				(₹ in lakhs)
Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019		
Rental income from investment property	-	-		
Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income	-	-		
Direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental income	0.34	0.34		

(ii) Fair Value					(₹ in lakhs)
Particulars	Level	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018	
Investment Property	Level 2	37.95	38.16	35.60	

### (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.

10 PROPERTY, PLANT AND EQUIPMENT										(₹ in lakhs)
Particulars	Gross Carrying Amount				Depreciation and Impairment Expense				Net Carrying Amount	
	As at 1st April, 2019	Additions during the year	Disposals and other adjustments	As at 31st March, 2020	As at 1st April, 2019	For the year	Disposals and other adjustments	As at 31st March, 2020	As at 31st March, 2020	
	(a)	(b)	(c)	(d=a+b-c)	(e)	(f)	(g)	(h=e+f-g)	(d-h)	
<b>Assets for Own use</b>										
Buildings	4.72	-	-	4.72	0.09	0.09	-	0.18	4.54	
Computers	1.18	0.20	0.32	1.06	0.14	0.29	-	0.43	0.63	
<b>Total</b>	<b>5.90</b>	<b>0.20</b>	<b>0.32</b>	<b>5.78</b>	<b>0.23</b>	<b>0.38</b>	<b>-</b>	<b>0.61</b>	<b>5.17</b>	

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)**

(₹ in lakhs)

Particulars	Gross Carrying Amount				Depreciation and Impairment Expense				Net Carrying Amount
	Deemed Cost As at 1st April, 2018	Additions during the year	Disposals and other adjustments	As at 31st March, 2019	As at 1st April, 2018	For the year	Disposals and other adjustments	As at 31st March, 2019	As at 31st March, 2019
	(a)	(b)	(c)	(d=a+b-c)	(e)	(f)	(g)	(h=e+f-g)	(d-h)
<b>Assets for Own use</b>									
Buildings	4.72	-	-	4.72	-	0.09	-	0.09	4.63
Computers	0.73	0.45	-	1.18	-	0.14	-	0.14	1.04
<b>Total</b>	<b>5.45</b>	<b>0.45</b>	<b>-</b>	<b>5.90</b>	<b>-</b>	<b>0.23</b>	<b>-</b>	<b>0.23</b>	<b>5.67</b>

**Note:**

The Company has used the Previous GAAP carrying value as deemed cost to measure the items of Property, Plant and Equipment as on the date of transition i.e. 1st April, 2018 (Gross Block less Accumulated Depreciation and Impairment Expense, as on 1st April, 2018).

**11 OTHER NON-FINANCIAL ASSETS**

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Employee Advances	0.43	1.57	0.42
Advances to Vendors for Operating Expenses	0.83	0.07	1.80
Prepaid Expenses	-	0.09	-
Balances with Government Authorities*	10.85	4.55	0.99
<b>Total</b>	<b>12.11</b>	<b>6.28</b>	<b>3.21</b>

\*includes Income Tax paid under protest amounting to ₹ 6.30 lakhs as at 31st March, 2020 (31st March, 2019: Nil, 1st April, 2018: Nil) (refer Note No. 28)

**12 PAYABLES**

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Trade Payables			
- total outstanding dues of micro enterprises and small enterprises (refer Note No. 12.1)	-	-	-
- 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. 12.1)	-	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

(₹ in lakhs)

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

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
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	-	-	-



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)

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

Particulars	As at	As at	As at
	31st March, 2020	31st March, 2019	1st April, 2018
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	-	-	-
<b>Total</b>	-	-	-

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

### 13 BORROWINGS (OTHER THAN DEBT SECURITIES)

(₹ in lakhs)

Particulars	As at 31st March, 2020			Total
	At Amortised Cost	At Fair Value Through profit or loss	Designated at fair value through profit or Loss	
<b>Secured</b>				
Loans repayable on demand				
- From Related Parties	-	-	-	-
- From Financial Institutions	-	-	-	-
<b>Unsecured</b>				
Loans repayable on demand				
- From Related Parties	-	-	-	-
- From Financial Institutions	-	-	-	-
Inter-corporate deposits	-	-	-	-
<b>Total</b>	-	-	-	-
Borrowings in India	-	-	-	-
Borrowings outside India	-	-	-	-
<b>Total</b>	-	-	-	-

(₹ in lakhs)

Particulars	As at 31st March, 2019			Total
	At Amortised Cost	At Fair Value Through profit or loss	Designated at fair value through profit or Loss	
<b>Secured</b>				
Loans repayable on demand				
- From Related Parties	-	-	-	-
- From Financial Institutions	-	-	-	-
<b>Unsecured</b>				
Loans repayable on demand				
- From Related Parties	1,400.00	-	-	1,400.00
- From Financial Institutions	-	-	-	-
Inter-corporate deposits	283.00	-	-	283.00
<b>Total</b>	<b>1,683.00</b>	-	-	<b>1,683.00</b>
Borrowings in India	1,683.00	-	-	1,683.00
Borrowings outside India	-	-	-	-
<b>Total</b>	<b>1,683.00</b>	-	-	<b>1,683.00</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)**

(₹ in lakhs)

Particulars	As at 1st April, 2018			Total
	At Amortised Cost	At Fair Value Through profit or loss	Designated at fair value through profit or Loss	
<b>Secured<sup>1</sup></b>				
Loans repayable on demand				
- From Related Parties	-	-	-	-
- From Financial Institutions	7,645.73	-	-	7,645.73
<b>Unsecured</b>				
Loans repayable on demand				
- From Related Parties	-	-	-	-
- From Financial Institutions	1,300.00	-	-	1,300.00
Inter-corporate deposits	228.00	-	-	228.00
<b>Total</b>	<b>9,173.73</b>	<b>-</b>	<b>-</b>	<b>9,173.73</b>
Borrowings in India	9,173.73	-	-	9,173.73
Borrowings outside India	-	-	-	-
<b>Total</b>	<b>9,173.73</b>	<b>-</b>	<b>-</b>	<b>9,173.73</b>

<sup>1</sup>Secured against fully paid up equity shares which were kept as collateral with the Company by the parties to whom loans were disbursed by the Company.

**13.1 Terms of Repayment****(i) Secured Loans****Loans repayable on demand**

(₹ in lakhs)

From Related Parties	Rate of Interest	Amount
As at 31st March, 2020	-	-
As at 31st March, 2019	-	-
As at 1st April, 2018	-	-
From Financial Institutions	Rate of Interest	Amount
As at 31st March, 2020	-	-
As at 31st March, 2019	-	-
As at 1st April, 2018	9% to 10%	7,645.73

**(ii) Unsecured Loans****Loans repayable on demand**

(₹ in lakhs)

From Related Parties	Rate of Interest	Amount
As at 31st March, 2020	-	-
As at 31st March, 2019	12%	1,400.00
As at 1st April, 2018	-	-
From Financial Institutions	Rate of Interest	Amount
As at 31st March, 2020	-	-
As at 31st March, 2019	-	-
As at 1st April, 2018	10%	1,300.00

**(iii) Unsecured Loans**

(₹ in lakhs)

Inter-corporate deposits	Rate of Interest	Amount	Repayment Details
As at 31st March, 2020	-	-	-
As at 31st March, 2019	9% to 12%	283.00	Amount repayable in Financial Year 2019-20
As at 1st April, 2018	9%	228.00	Amount repayable in Financial Year 2018-19

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)

14 OTHER FINANCIAL LIABILITIES				(₹ in lakhs)
Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018	
Interest Accrued but not due on Borrowings	-	-	60.01	
Interest Accrued and due on Borrowings	-	-	5.85	
Payable to Employees	4.07	26.45	14.22	
Liabilities for Operating Expenses	11.23	8.84	8.71	
Unpaid Dividends (refer Note No. 14.1)	19.73	-	-	
<b>Total</b>	<b>35.03</b>	<b>35.29</b>	<b>88.79</b>	

14.1 To be credited to Investor Education and Protection Fund as and when due. As at 31st March, 2020 there are no amounts due to be transferred to Investor Education and Protection Fund.

15 CURRENT TAX LIABILITIES (NET)				(₹ in lakhs)
Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018	
For Taxation (Net of Advance Tax ₹ 44.61 lakhs, 31st March, 2019: ₹ 122.29 lakhs, 1st April, 2018: Nil)	25.66	113.17	-	
<b>Total</b>	<b>25.66</b>	<b>113.17</b>	<b>-</b>	

16 PROVISIONS				(₹ in lakhs)
Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018	
<b>Provision for Employee Benefits (refer Note No. 29)</b>				
Gratuity	24.31	20.05	16.91	
Unavailed Leave	-	-	1.53	
<b>Total</b>	<b>24.31</b>	<b>20.05</b>	<b>18.44</b>	

17 OTHER NON-FINANCIAL LIABILITIES				(₹ in lakhs)
Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018	
Statutory dues payable	9.74	19.24	14.37	
<b>Total</b>	<b>9.74</b>	<b>19.24</b>	<b>14.37</b>	

18 EQUITY SHARE CAPITAL						
Particulars	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
<b>Authorised</b>						
Equity Shares, ₹ 10/- par value per share	2,02,50,000	2,025.00	2,02,50,000	2,025.00	2,02,50,000	2,025.00
<b>Total</b>		<b>2,025.00</b>		<b>2,025.00</b>		<b>2,025.00</b>
<b>Issued and Subscribed</b>						
Equity Shares, ₹ 10/- par value per share	1,18,86,174	1,188.62	1,13,46,174	1,134.62	1,08,06,174	1,080.62
<b>Fully Paid-up</b>						
Equity Shares, ₹ 10/- par value per share	1,18,80,000	1,188.00	1,13,40,000	1,134.00	1,08,00,000	1,080.00
<b>Forfeited Shares</b>						
	6,174	0.17	6,174	0.17	6,174	0.17
<b>Total</b>		<b>1,188.17</b>		<b>1,134.17</b>		<b>1,080.17</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)****a. Reconciliation of the Number of Equity Shares outstanding**

Equity Shares	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
At the beginning of the year	1,13,40,000	1,134.00	1,08,00,000	1,080.00	69,94,826	699.48
Add: Issued during the year [Refer Note No. 18(e) below]	5,40,000	54.00	5,40,000	54.00	38,05,174	380.52
At the end of the year	1,18,80,000	1,188.00	1,13,40,000	1,134.00	1,08,00,000	1,080.00

**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 par 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, 2020)**

The Company has not issued any Equity shares during the 5 year preceding 31st March, 2020 without payment being received in cash/ by way of bonus shares.

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

Name of the shareholders	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
Ashika Global Securities Pvt. Ltd.	32,13,699	27.05	10,66,799	9.41	5,26,799	4.88
Ashika Hedge Fund Pvt. Ltd.*	-	-	8,36,900	7.38	8,36,900	7.75
Pawan Jain (HUF)	7,89,000	6.64	7,89,000	6.96	7,89,000	7.31
Ashika Share Trading Pvt. Ltd.*	-	-	7,70,000	6.79	7,70,000	7.13

\* amalgamated with Ashika Global Securities Pvt. Ltd. pursuant to National Company Law Tribunal, Kolkata bench order dated 14th January, 2020

**e. Money received against Share Warrants**

The Company had issued and allotted 10,80,000 Fully Convertible Warrants ('Warrants') to one of the Promoter Group Entities on a preferential basis on 27th March, 2018 on receipt of 25% of the issue price amounting to ₹ 97.20 lakhs, entitling it to obtain equivalent number of equity shares of ₹ 10 each fully paid-up (including premium of ₹ 26 per share), in accordance with Chapter VII of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009. As per the terms of issue the tenure of Warrants shall not exceed 18 months from the date of allotment and if the entitlement against the Warrants to apply for the equity shares is not exercised within the said period of 18 months, the entitlement of the Warrant holder to apply for equity shares of the Company along with the rights attached thereto shall expire and any amount paid on such Warrants shall stand forfeited.

Pursuant to exercise of option by the warrant holder, the Company had allotted 5,40,000 equity shares of ₹ 10 each at a premium of ₹ 26 per share on 5th August, 2018 on receipt of balance 75% of the issue price amounting to ₹ 145.80 lakhs. Similarly, pursuant to further exercise of option by the remaining warrant holders, the Company has allotted 5,40,000 equity shares of ₹ 10 each at a premium of ₹ 26 per share on 9th August, 2019, on receipt of balance 75% of the issue price amounting to ₹ 145.80 lakhs.

f. Refer note 33 - Capital for the Company's objectives, policies and processes for managing capital.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)

### g. Proposed dividend on Equity Shares

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Proposed dividend on Equity Shares for the year ended on 31st March, 2020: Nil (31st March, 2019: ₹ 1.00 per share, 1st April, 2018: Nil)	-	113.40	-
Tax on proposed dividend	-	23.31	-

### 19 OTHER EQUITY

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
<b>Statutory Reserve (pursuant to Section 45-IC of the Reserve Bank of India Act, 1934)</b>			
Opening balance	335.66	184.47	
Add: Transferred from retained earnings	-	151.19	
<b>Closing balance</b>	<b>335.66</b>	<b>335.66</b>	<b>184.47</b>
<b>Securities Premium Account</b>			
Opening balance	3,221.61	3,081.21	
Add: On account of issue of equity shares [Refer Note No. 18(e)]	140.40	140.40	
<b>Closing balance</b>	<b>3,362.01</b>	<b>3,221.61</b>	<b>3,081.21</b>
<b>Retained Earnings</b>			
Opening balance	132.84	(561.70)	
Add: Net profit for the year	(253.93)	845.01	
Add: Other Comprehensive Income (net of tax)	0.20	0.72	
Amount available for appropriation	<b>(120.89)</b>	<b>284.03</b>	
<b>Appropriations:</b>			
Less: Transferred to Statutory Reserve (Pursuant to Section 45-IC of the Reserve Bank of India Act, 1934)	-	151.19	
Less: Equity Dividend [amount ₹ Nil per share (31st March, 2019: ₹ 1.00 per share, 1st April, 2018: ₹ Nil per share)]	113.40	-	
Less: Corporate Dividend Tax	23.31	-	
<b>Closing balance</b>	<b>(257.60)</b>	<b>132.84</b>	<b>(561.70)</b>
<b>Money received against Share Warrants</b>			
Opening balance	48.60	97.20	
Less: On account of issue of equity shares [Refer Note No. 18(e)]	48.60	48.60	
<b>Closing balance</b>	<b>-</b>	<b>48.60</b>	<b>97.20</b>
<b>Total</b>	<b>3,440.07</b>	<b>3,738.71</b>	<b>2,801.18</b>

### Nature and Purpose of Reserves

#### (i) Statutory Reserve

Every year the Company transfers a sum of not less than twenty per cent of net profit 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 Account:

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)****(iii) Retained Earnings:**

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

Particulars	Year ended 31st March, 2020			(₹ in lakhs)
	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	-	691.16	-
<b>Total</b>	-	<b>691.16</b>	-	<b>691.16</b>

Particulars	Year ended 31st March, 2019			(₹ in lakhs)
	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	-	1,807.26	-
<b>Total</b>	-	<b>1,807.26</b>	-	<b>1,807.26</b>

Particulars	Year ended		(₹ in lakhs)
	31st March, 2020	31st March, 2019	
Net gain on financial instruments at fair value through profit or loss			
(i) On trading portfolio			
Investments	19.41	-	
<b>Total Net Gain on Fair Value Changes (A)</b>	<b>19.41</b>	-	
Fair Value Changes:			
Realised	19.41	-	
Unrealised	-	-	
<b>Total Net Gain on Fair Value Changes (B)</b>	<b>19.41</b>	-	

Particulars	Year ended		(₹ in lakhs)
	31st March, 2020	31st March, 2019	
Interest on Income Tax Refund	3.21	-	
Liability no longer required written back	0.01	-	
Other Non-Operating Income	0.09	0.03	
<b>Total</b>	<b>3.31</b>	<b>0.03</b>	



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)

23 FINANCE COSTS <span style="float: right;">(₹ in lakhs)</span>						
Particulars	Year ended 31st March, 2020			Year ended 31st March, 2019		
	On Financial liabilities measured at amortised cost	On Financial liabilities measured at fair value through profit or loss	Total	On Financial liabilities measured at amortised cost	On Financial liabilities measured at fair value through profit or loss	Total
Interest on borrowings (other than debt securities)						
Loans repayable on demand						
- from related parties	27.91	-	27.91	232.10	-	232.10
- from financial institutions	-	-	-	480.99	-	480.99
Inter-corporate deposits	13.15	-	13.15	23.46	-	23.46
Other Interest Expense						
- Income Tax			5.14			6.46
<b>Total</b>	<b>41.06</b>	<b>-</b>	<b>46.20</b>	<b>736.55</b>	<b>-</b>	<b>743.01</b>

24 IMPAIRMENT ON FINANCIAL INSTRUMENTS (NET) <span style="float: right;">(₹ in lakhs)</span>				
Particulars	Year ended 31st March, 2020		Year ended 31st March, 2019	
	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. 24.1)	-	650.03	-	(394.02)
<b>Total</b>	<b>-</b>	<b>650.03</b>	<b>-</b>	<b>(394.02)</b>

24.1 IMPAIRMENT ON LOANS <span style="float: right;">(₹ in lakhs)</span>				
Particulars	Year ended 31st March, 2020		Year ended 31st March, 2019	
	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 (Net of Recovery)	-	(10.00)	-	(327.14)
Provision for Impairment	-	660.03	-	(66.88)
<b>Total</b>	<b>-</b>	<b>650.03</b>	<b>-</b>	<b>(394.02)</b>

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, 2020 <span style="float: right;">(₹ in lakhs)</span>				
Particulars	General Approach			Total
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	
Loans	44.87	3.47	611.69	660.03
<b>Total</b>	<b>44.87</b>	<b>3.47</b>	<b>611.69</b>	<b>660.03</b>

Year ended 31st March, 2019 <span style="float: right;">(₹ in lakhs)</span>				
Particulars	General Approach			Total
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	
Loans	(120.72)	-	53.84	(66.88)
<b>Total</b>	<b>(120.72)</b>	<b>-</b>	<b>53.84</b>	<b>(66.88)</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)**

<b>25 EMPLOYEE BENEFITS EXPENSES</b>		(₹ in lakhs)	
<b>Particulars</b>	<b>Year ended 31st March, 2020</b>	<b>Year ended 31st March, 2019</b>	
Salaries, Allowances and Bonus	260.05	203.71	
Contribution to Provident and Other Funds	8.95	8.98	
Staff Welfare Expenses	0.75	0.77	
<b>Total</b>	<b>269.75</b>	<b>213.46</b>	

<b>26 OTHER EXPENSES</b>		(₹ in lakhs)	
<b>Particulars</b>	<b>Year ended 31st March, 2020</b>	<b>Year ended 31st March, 2019</b>	
Rent, taxes and energy costs	9.17	8.82	
Repairs and Maintenance	4.80	4.32	
Communication Costs	-	0.13	
Printing and Stationery	1.21	2.06	
Advertisement and Publicity	1.39	1.58	
Business Promotion Expenses	2.37	1.22	
Fees and Subscriptions	3.42	10.01	
Directors' Sitting Fees	4.96	2.51	
Payments to the Auditor (Refer Note No. 26.1)	20.82	12.77	
Legal and Professional Charges	14.72	15.84	
Travelling and Conveyance	22.76	20.12	
Computer Software Expenses	-	3.71	
Corporate Social Responsibility Expenses (refer Note No. 26.2)	11.51	-	
Postage and Courier	0.34	0.26	
Net loss on derecognition of property, plant and equipment	0.32	-	
Miscellaneous Expenses	1.22	4.02	
<b>Total</b>	<b>99.01</b>	<b>87.37</b>	

<b>26.1 Payments to the Auditor (including GST):</b>		(₹ in lakhs)	
<b>Particulars</b>	<b>Year ended 31st March, 2020</b>	<b>Year ended 31st March, 2019</b>	
As Auditor - Statutory Audit and Limited Reviews	15.48	7.63	
Certifications	2.66	2.94	
Tax Audit	1.77	1.64	
Reimbursement of Expenses	0.91	0.56	
<b>Total</b>	<b>20.82</b>	<b>12.77</b>	

<b>26.2 Corporate Social Responsibility Expenses</b>		(₹ in lakhs)	
<b>Particulars</b>	<b>Year ended 31st March, 2020</b>	<b>Year ended 31st March, 2019</b>	
Gross amount required to be spent during the year	11.50	-	
Amount spent during the year			
- Construction / acquisition of any asset	-	-	
- On purposes other than above	11.51	-	
Paid in cash	11.51	-	
Yet to be paid in cash	-	-	
<b>Total</b>	<b>11.51</b>	<b>-</b>	

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)

### 27 EARNINGS PER SHARE (EPS)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
<b>Profit after tax attributable to Equity Shareholders (₹ in lakhs) - A</b>	(253.93)	845.01
Basic and Diluted		
(a) Number of Equity Shares at the beginning of the year	1,13,40,000	1,08,00,000
(b) Number of Equity Shares issued during the year	5,40,000	5,40,000
(c) Number of Equity Shares at the end of the year	1,18,80,000	1,13,40,000
(d) Weighted average number of Equity Shares outstanding during the year - B	1,16,94,098	1,11,53,589
(e) Nominal Value of each Equity Share (₹)	10	10
<b>Basic and Diluted Earnings per Equity Share (₹) (A/B) (₹)</b>	(2.17)	7.58

### 28 CONTINGENT LIABILITIES AND COMMITMENTS (To the extent not provided for) (₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
<b>Contingent Liabilities</b>			
Claims against the Company not acknowledged as debts:			
Income Tax [include deposits made under protests 31st March, 2020: ₹ 6.30 lakhs (31st March, 2019: Nil, 1st April, 2018: Nil)]	30.50	0.35	0.35
<b>Total</b>	<b>30.50</b>	<b>0.35</b>	<b>0.35</b>

### 29 DISCLOSURE PURSUANT TO IND AS 19 - EMPLOYEE BENEFITS

#### Defined Contribution Plans

All 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 ₹ 8.95 Lakhs (Previous year: ₹ 8.98 Lakhs) for the year ended 31st March, 2020 as an expense in the Statement of Profit and Loss.

#### Defined Benefit Plans

The Company provides for gratuity, a defined benefit plans 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.

The Employee Leave Encashment Scheme, which is a defined benefit plans is unfunded.

#### Risk Management

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

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)**

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

(₹ in lakhs)

Particulars	Gratuity		Leave	
	Year ended 31st March, 2020	Year ended 31st March, 2019	Year ended 31st March, 2020	Year ended 31st March, 2019
<b>Amounts recognised in the statement of profit and loss in respect of defined benefit plans are as follows:</b>				
Current Service Cost	2.99	2.86	-	-
Net Interest Expense	1.55	1.30	-	-
Immediate recognition of (gains)/ losses - other long term employee benefit plans	-	-	-	(1.53)
<b>Components of defined benefit costs recognised in statement of profit and loss (A)</b>	<b>4.54</b>	<b>4.16</b>	<b>-</b>	<b>(1.53)</b>
<b>Remeasurement of gains / (losses) in other comprehensive income:</b>				
Actuarial changes arising from changes in financial assumptions	1.94	0.23	-	-
Experience adjustments	(2.22)	(1.25)	-	-
<b>Components of defined benefit costs recognised in other comprehensive income (B)</b>	<b>(0.28)</b>	<b>(1.02)</b>	<b>-</b>	<b>-</b>
<b>Total (A+B)</b>	<b>4.26</b>	<b>3.14</b>	<b>-</b>	<b>(1.53)</b>

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

**a) Gratuity**

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
<b>Change in the obligation during the year ended</b>			
Present value of defined obligation at the beginning of the year	20.05	16.91	16.91
<b>Expenses recognised in the statement of profit and loss:</b>			
Current Service Cost	2.99	2.86	-
Interest Expense/(Income)	1.55	1.30	-
Remeasurement losses/(gains) recognised in Other Comprehensive Income	(0.28)	(1.02)	-
<b>Present value of defined obligation at the end of the year</b>	<b>24.31</b>	<b>20.05</b>	<b>16.91</b>

**b) Leave**

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
<b>Change in the obligation during the year ended</b>			
Present value of defined obligation at the beginning of the year	-	1.53	1.53
<b>Expenses recognised in the statement of profit and loss:</b>			
Current Service Cost	-	-	-
Interest expense/(income)	-	-	-
Remeasurement losses/(gains) recognised in Other Comprehensive Income	-	-	-
Past service cost	-	-	-
Liability transferred in/acquisitions	-	-	-
Benefits paid from the fund	-	-	-
Actuarial losses/(gains)	-	(1.53)	-
<b>Present value of defined obligation at the end of the year</b>	<b>-</b>	<b>-</b>	<b>1.53</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)

### Calculation of Benefit Liability/(Asset) :

#### a) Gratuity

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Defined benefit obligation	24.31	20.05	16.91
Fair value of plan assets	-	-	-
<b>Benefit Liability</b>	<b>24.31</b>	<b>20.05</b>	<b>16.91</b>

#### b) Leave

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Defined benefit obligation	-	-	1.53
Fair value of plan assets	-	-	-
<b>Benefit Liability</b>	<b>-</b>	<b>-</b>	<b>1.53</b>

### The principal assumptions used are as follows:

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Discount rate (%)	6.50	7.70	7.75
Salary growth rate (%)	6.00	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	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.

#### a) Gratuity

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Discount Rate + 1%	(1.64)	(1.38)	(1.22)
Discount Rate - 1%	1.86	1.55	1.37
Salary Escalation +1%	1.85	1.67	1.47
Salary Escalation -1%	(1.66)	(1.50)	(1.33)

#### b) Leave

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Discount Rate + 1%	-	-	(0.12)
Discount Rate - 1%	-	-	0.13
Salary Escalation +1%	-	-	0.14
Salary Escalation -1%	-	-	(0.13)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)****Maturity Analysis of The Benefit Payments****a) Gratuity**

(₹ in lakhs)

Expected payment for future years	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Year 1	0.90	0.82	0.72
Year 2	0.82	0.83	0.82
Year 3	0.98	0.82	0.73
Year 4	1.16	0.87	0.73
Year 5	1.32	0.93	0.76
Next 5 Years	34.10	20.93	19.24

The weighted average duration of defined benefit obligation is 7 years (31st March 2019: 6.38 years, 1st April 2018: 7.11 years)

**b) Leave**

(₹ in lakhs)

Expected payment for future years	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Year 1	-	-	0.07
Year 2	-	-	0.08
Year 3	-	-	0.07
Year 4	-	-	0.08
Year 5	-	-	0.07
Next 5 Years	-	-	1.47

The weighted average duration of defined benefit obligation is Nil (31st March 2019: Nil, 1st April 2018: 6.9 years)

**30 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 ₹ 4.12 lakhs).

**31 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, 2020			As at 31st March, 2019			As at 1st April, 2018		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
<b>Assets</b>									
<b>Financial Assets</b>									
Cash and Cash Equivalents	74.09	-	74.09	899.11	-	899.11	1,557.56	-	1,557.56
Bank Balance other than above	19.73	-	19.73	-	-	-	-	-	-
Loans	3,003.63	1,205.37	4,209.00	5,569.76	-	5,569.76	11,215.43	73.93	11,289.36
Investments	-	0.01	0.01	-	0.01	0.01	-	0.01	0.01
Other Financial Assets	1.60	0.33	1.93	0.60	1.33	1.93	0.60	1.33	1.93
<b>Non-Financial Assets</b>									
Current Tax Assets (Net)	-	97.91	97.91	-	124.58	124.58	-	99.34	99.34
Deferred Tax Assets (Net)	-	290.27	290.27	-	123.28	123.28	-	206.56	206.56
Investment Property	-	12.76	12.76	-	13.01	13.01	-	13.26	13.26
Property, Plant and Equipment	-	5.17	5.17	-	5.67	5.67	-	5.45	5.45
Other Non-Financial Assets	1.26	10.85	12.11	6.28	-	6.28	3.21	-	3.21
<b>Total Assets</b>	<b>3,100.31</b>	<b>1,622.67</b>	<b>4,722.98</b>	<b>6,475.75</b>	<b>267.88</b>	<b>6,743.63</b>	<b>12,776.80</b>	<b>399.88</b>	<b>13,176.68</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)

(₹ in lakhs)

Liabilities	As at 31st March, 2020			As at 31st March, 2019			As at 1st April, 2018		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
<b>Liabilities</b>									
<b>Financial Liabilities</b>									
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 (Other than Debt Securities)	-	-	-	1,683.00	-	1,683.00	9,173.73	-	9,173.73
Other Financial Liabilities	35.03	-	35.03	35.29	-	35.29	88.79	-	88.79
<b>Non-Financial Liabilities</b>									
Current Tax Liabilities (Net)	25.66	-	25.66	113.17	-	113.17	-	-	-
Provisions	0.87	23.44	24.31	0.82	19.23	20.05	0.79	17.65	18.44
Other Non-Financial Liabilities	9.74	-	9.74	19.24	-	19.24	14.37	-	14.37
<b>Total Liabilities</b>	<b>71.30</b>	<b>23.44</b>	<b>94.74</b>	<b>1,851.52</b>	<b>19.23</b>	<b>1,870.75</b>	<b>9,277.68</b>	<b>17.65</b>	<b>9,295.33</b>
<b>Net</b>	<b>3,029.01</b>	<b>1,599.23</b>	<b>4,628.24</b>	<b>4,624.23</b>	<b>248.65</b>	<b>4,872.88</b>	<b>3,499.12</b>	<b>382.23</b>	<b>3,881.35</b>

### 32 FIRST TIME ADOPTION OF IND AS

These financial statements, for the year ended 31st March, 2020, are the first financial statements which have been prepared in accordance with Ind AS. For periods up to and including the year ended 31st March, 2019, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). The Company follows directions prescribed by the Reserve Bank of India ('RBI') for Non-Banking Finance Company ('NBFC'). Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31st March, 2020, together with the comparative period data as at and for the year ended 31st March, 2019, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April, 2018, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April, 2018 and the financial statements as at and for the year ended 31st March, 2019.

Ind AS 101 "First-time Adoption of Indian Accounting Standards" provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first-time adopters. The Company has prepared the Opening Balance Sheet as per Ind AS as at 1st April, 2018 ('the transition date') by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, reclassifying items from previous GAAP to Ind AS as required under Ind AS and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain mandatory exceptions and optional exemptions out of which the ones which are relevant for the Company are as detailed below:

#### Mandatory exceptions to the retrospective application of Ind AS

##### (i) Estimates

The estimates at 1st April, 2018 and at 31st March, 2019 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1st April 2018, the date of transition to Ind AS and as at 31st March, 2019.

### (ii) Classification and Measurement of Financial Assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

#### Voluntary exemptions availed

##### (i) Deemed Cost for Property, Plant and Equipment and Investment Property

The Company has elected to continue with the carrying value of all of its property, plant and equipment and investment property recognised as on the transition date measured as per the previous GAAP and used that carrying value as its deemed cost as on the transition date.

##### (ii) Determining whether an arrangement contains a lease

Ind AS 116 requires entity to assess whether contract or arrangement contains a lease. In accordance with same, this assessment should be carried out at the inception of the arrangement. However, the Company has used exemption under Ind AS 101 and assessed all arrangements based on the facts and circumstances that existed as on transition date.

##### (iii) Derecognition of Financial Assets and Financial Liabilities

As per Ind AS 101 – An entity shall apply the exception to the retrospective application in case of “derecognition of financial assets and financial liabilities” wherein a first-time adopter shall apply the derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. For example, if a first-time adopter derecognised non-derivative financial assets or non-derivative financial liabilities in accordance with its previous GAAP as a result of a transaction that occurred before the date of transition to Ind AS, it shall not recognise those assets and liabilities in accordance with Ind AS (unless they qualify for recognition as a result of a later transaction or event). The Company has opted not to re-evaluate financial assets derecognised in the past and to apply the derecognition requirements prospectively for transactions occurring on or after the transition date.

##### (iv) Classification of Debt Instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as on the transition date.

##### (v) Impairment of Financial Assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

### (i) Reconciliation of Equity as previously reported under Previous GAAP to Ind AS

(₹ in lakhs)

Particulars	Note	As at 31st March, 2019	As at 1st April, 2018
<b>Equity as reported under Previous GAAP</b>		<b>4,993.16</b>	<b>4,091.40</b>
<b>Remeasurements on transition to Ind AS</b>			
(1) Recognition of interest on Stage 3 Assets	(i)	42.79	12.29
(2) Fair valuation of Investments	(ii)	(18.79)	(18.79)
(3) Recognition of Expected Credit Loss in line with Ind AS 109	(iii)	(198.71)	(276.39)
(4) Deferred Tax adjustments (net) on above	(v)	54.43	72.84
<b>Equity as reported under Ind AS</b>		<b>4,872.88</b>	<b>3,881.35</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)

### (ii) Reconciliation of Total Comprehensive Income for the year ended 31st March, 2019

(₹ in lakhs)

Particulars	Note	Year ended 31st March, 2019
<b>Profit After Tax as reported under Previous GAAP</b>		<b>755.95</b>
<b>Adjustments:</b>		
(1) Recognition of interest on Stage 3 Assets	(i)	30.49
(2) Recognition of Expected Credit Loss in line with Ind AS 109	(iii)	77.69
(3) Actuarial remeasurements of Defined Benefit Plans	(iv)	(1.02)
(4) Deferred Tax adjustments (net) on above	(v)	(18.10)
<b>Profit After Tax as reported under Ind AS (A)</b>		<b>845.01</b>
(1) Actuarial remeasurements of Defined Benefit Plans (not to be reclassified to profit or loss)	(iv)	1.02
(2) Deferred Tax adjustments (net) on above	(v)	(0.30)
<b>Other Comprehensive Income as reported under Ind AS (B)</b>	(vi)	
<b>Total Comprehensive Income as reported under Ind AS (A+B)</b>		<b>845.73</b>

### Footnotes to the reconciliation of equity as at 1st April, 2018 and 31st March, 2019 and Total Comprehensive Income for the year ended 31st March, 2019

#### (i) Recognition of interest on Stage 3 Assets

Under Previous GAAP, interest income on non performing assets ( i.e. loans that are 180 days past due ) was not accrued. Under Ind AS interest income on such loans are recognised on their net carrying amount.

#### (ii) Fair valuation of Investments

Under Previous GAAP, the Company accounted for long term investments in unquoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, such investments are measured by the Company at fair value through profit or loss.

#### (iii) Recognition of Expected Credit Loss in line with Ind AS 109

Under Previous GAAP, the impairment provisioning in respect of a Non-Banking Financial Company–Non-Systemically Important Non-Deposit taking Company was governed by the principles as prescribed by the Reserve Bank of India through Master Direction - Non-Banking Financial Company –Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.

Under Ind AS, a loss allowance for expected credit losses is recognised on financial assets carried at amortised cost. Expected credit losses (with the exception of purchased or original credit-impaired financial assets) are required to be measured through a loss allowance at an amount equal to the 12 month expected credit losses; or Lifetime expected credit losses; if credit risk has increased significantly since initial recognition of the financial instrument.

#### (iv) Actuarial remeasurements of Defined Benefit Plans

Both under Previous GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Previous GAAP, the entire cost, including actuarial gains and losses, were charged to profit or loss. Under Ind AS, remeasurements comprising of actuarial gains and losses are recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income instead of profit or loss.

#### (v) Deferred Tax adjustments (net) on above

Under Indian GAAP, deferred tax accounting was under the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 "Income-Taxes" approach has resulted in recognition of deferred taxes on temporary differences that were not required to be recorded under Previous GAAP. In addition, the various transitional adjustments have led to deferred tax implications that the Company has accounted for. Deferred tax adjustments are recognised in correlation to the underlying transaction in either retained earnings or other comprehensive income, on the date of transition.

#### (vi) Other Comprehensive Income

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. The Company has reconciled Indian GAAP profit or loss to Total Comprehensive Income as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)

### 33 CAPITAL MANAGEMENT

The Company maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company.

The primary objectives of the Company's capital management is to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value. The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years except those incorporated on account of regulatory amendments. However, they are under constant review by the Board of Directors. The Company has complied with the notification RBI/2019-20/170 DOR (NBFC). CC.PD.No.109/22.10.106/2019-20 "Implementation of Indian Accounting Standards.

### 34 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, 2020		As at 31st March, 2019		As at 1st April, 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial Assets</b>						
<b>a) Measured at Amortised Cost</b>						
i) Cash and Cash Equivalents	74.09	74.09	899.11	899.11	1,557.56	1,557.56
ii) Bank Balance other than (i) above	19.73	19.73	-	-	-	-
iii) Loans	4,209.00	4,208.02	5,569.76	5,569.76	11,289.36	11,287.84
iv) Other Financial Assets	1.93	1.93	1.93	1.93	1.93	1.93
<b>Sub-total</b>	<b>4,304.75</b>	<b>4,303.77</b>	<b>6,470.80</b>	<b>6,470.80</b>	<b>12,848.85</b>	<b>12,847.33</b>
<b>b) Measured at Fair value through Profit or Loss</b>						
i) Investments	0.01	0.01	0.01	0.01	0.01	0.01
<b>Sub-total</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>
<b>Total Financial Assets</b>	<b>4,304.76</b>	<b>4,303.78</b>	<b>6,470.81</b>	<b>6,470.81</b>	<b>12,848.86</b>	<b>12,847.34</b>
<b>Financial Liabilities</b>						
<b>a) Measured at Amortised cost</b>						
i) Payables	-	-	-	-	-	-
ii) Borrowings	-	-	1,683.00	1,683.00	9,173.73	9,173.73
iii) Other Financial Liabilities	35.03	35.03	35.29	35.29	88.79	88.79
<b>Total Financial Liabilities</b>	<b>35.03</b>	<b>35.03</b>	<b>1,718.29</b>	<b>1,718.29</b>	<b>9,262.52</b>	<b>9,262.52</b>

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.

#### Other financial assets measured at amortised cost

Other financial assets generally have assets with short-term maturity (less than twelve months) as on balance sheet date and

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)

therefore, the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value.

### **Borrowings measured at amortised cost**

Given all borrowings have short term maturity (less than twelve months), 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 table provides 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.

The carrying value of investments in unquoted equity instruments is a reasonable approximation to their fair values.

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## **35 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 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,

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)**

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, 2020			
	Less than 3 months	3 to 12 months	> 12 months	Total
<b>Financial Assets</b>				
i) Cash and Cash Equivalents	74.09	-	-	74.09
ii) Bank Balance other than (i) above	19.73	-	-	19.73
iii) Loans	1,530.12	2,361.08	1,231.35	5,122.55
iv) Investments	-	-	0.01	0.01
v) Other Financial Assets	-	1.60	0.33	1.93
<b>Total</b>	<b>1,623.94</b>	<b>2,362.68</b>	<b>1,231.69</b>	<b>5,218.31</b>
<b>Financial Liabilities</b>				
i) Payables	-	-	-	-
ii) Borrowings (Other than Debt Securities)	-	-	-	-
iii) Other Financial Liabilities	35.03	-	-	35.03
<b>Total</b>	<b>35.03</b>	<b>-</b>	<b>-</b>	<b>35.03</b>

(₹ in lakhs)

Particulars	As at 31st March, 2019			
	Less than 3 months	3 to 12 months	> 12 months	Total
<b>Financial Assets</b>				
i) Cash and Cash Equivalents	899.11	-	-	899.11
ii) Bank Balance other than (i) above	-	-	-	-
iii) Loans	2,236.26	3,587.02	-	5,823.28
iv) Investments	-	-	0.01	0.01
v) Other Financial Assets	-	0.60	1.33	1.93
<b>Total</b>	<b>3,135.37</b>	<b>3,587.62</b>	<b>1.34</b>	<b>6,724.33</b>
<b>Financial Liabilities</b>				
i) Payables	-	-	-	-
ii) Borrowings (Other than Debt Securities)	-	1,683.00	-	1,683.00
iii) Other Financial Liabilities	35.29	-	-	35.29
<b>Total</b>	<b>35.29</b>	<b>1,683.00</b>	<b>-</b>	<b>1,718.29</b>

(₹ in lakhs)

Particulars	As at 1st April, 2018			
	Less than 3 months	3 to 12 months	> 12 months	Total
<b>Financial Assets</b>				
i) Cash and Cash Equivalents	1,557.56	-	-	1,557.56
ii) Bank Balance other than (i) above	-	-	-	-
iii) Loans	2,614.52	8,920.24	75.00	11,609.76
iv) Investments	-	-	0.01	0.01
v) Other Financial Assets	-	0.60	1.33	1.93
<b>Total</b>	<b>4,172.08</b>	<b>8,920.84</b>	<b>76.34</b>	<b>13,169.26</b>
<b>Financial Liabilities</b>				
i) Payables	-	-	-	-
ii) Borrowings (Other than Debt Securities)	-	9,173.73	-	9,173.73
iii) Other Financial Liabilities	88.79	-	-	88.79
<b>Total</b>	<b>88.79</b>	<b>9,173.73</b>	<b>-</b>	<b>9,262.52</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)

### 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 laid down the credit evaluation and approval process in compliance with regulatory guidelines.

The Company uses the Expected Credit Loss (ECL) Methodology to assess the impairment on 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

Particulars	As at	₹ in lakhs		
		Corporate	Others	Total
<b>Financial Assets</b>	<b>31st March, 2020</b>	2,685.20	1,523.80	4,209.00
Loans	<b>31st March, 2019</b>	3,776.14	1,793.62	5,569.76
	<b>1st April, 2018</b>	5,031.63	6,257.73	11,289.36

### 36 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 Business Pvt. Ltd.

#### (iii) Key Management Personnel (KMP):

Name	Designation
Pawan Jain	Executive Chairman and Whole time Director
Daulat Jain	Managing Director & Chief Executive Officer
Amit Jain (upto 09/08/2019)	Chief Financial Officer
Gaurav Jain (w.e.f. 10/08/2019)	Chief Financial Officer
Anju Mundhra	Company Secretary
Sagar Jain	Non-Executive Director*
Suparna Sengupta (w.e.f. 14/02/2018)	Non-Executive Director*
Sonu Jain (w.e.f. 01/04/2019)	Non-Executive Director*
Radheshyam Agarwal (upto 31/03/2019)	Non-Executive Director*
Sanjay Kumar Singh (upto 23/07/2018)	Non-Executive Director*

\*Also Independent

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)****(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 Share Trading Pvt. Ltd.

Ashika Global Finance Pvt. Ltd.

Puja Sales Promotion Pvt. Ltd.

Pawan Jain (HUF)

**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, 2020	Balance Outstanding as at 31st March, 2020	For the year ended 31st March, 2019	Balance Outstanding as at 31st March, 2019	Balance Outstanding as at 1st April, 2018
<b>Entity having significant influence over the Company</b>						
Ashika Global Securities Pvt. Ltd.	Issue of Equity Shares (including securities premium)	194.40	-	194.40	-	-
	Loan Advanced	150.00	150.00	-	-	-
	Interest received on Loan	0.05	0.04	-	-	-
<b>Entities controlled by AGSPL</b>						
Ashika Stock Broking Ltd.	Computer Software Charges Paid	-	-	3.71	-	-
	Loan Advanced	100.00	-	252.34	-	-
	Repayment of Loan Advanced	100.00	-	252.34	-	-
	Interest received on Loan	0.56	0.50	20.55	-	-
	Demat Charges	0.11	0.00*	0.93	-	-
	Electricity Charges	-	-	-	-	0.56
Ashika Business Pvt. Ltd.	Loan Advanced	-	-	1,730.00	-	-
	Repayment of Loan Advanced	-	-	1,730.00	-	-
	Interest received on Loan	-	-	26.40	-	-
<b>Key Management Personnel (KMP)</b>						
Pawan Jain	Remuneration	170.63	-	102.38	9.05	2.77
Daulat Jain	Remuneration	13.00	-	12.97	0.81	0.89
Amit Jain	Advance Given	1.00	-	3.00	-	0.43
	Remuneration	6.41	-	19.58	0.28	-
Gaurav Jain	Remuneration	8.18	-	-	-	-
Anju Mundhra	Loan Advanced	-	-	6.22	-	2.34
	Repayment of Loan Advanced	-	-	8.56	-	-
	Interest received on Loan	-	-	0.11	-	0.03
	Remuneration	14.01	-	12.77	0.84	1.65
Sagar Jain	Sitting Fees	1.55	0.05	0.79	-	-
Suparna Sengupta	Sitting Fees	1.10	-	0.57	-	-
Sonu Jain	Sitting Fees	1.55	0.05	-	-	-
Radheshyam Agarwal	Sitting Fees	-	-	0.86	-	-
Sanjay Kumar Singh	Sitting Fees	-	-	0.08	-	-

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)

Name of the related party and nature of relationship	Nature of Transactions	For the year ended 31st March, 2020	Balance Outstanding as at 31st March, 2020	For the year ended 31st March, 2019	Balance Outstanding as at 31st March, 2019	Balance Outstanding as at 1st April, 2018
<b>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)</b>						
Ashika Share Trading Pvt. Ltd.	Loan Advanced	-	-	367.57	-	337.00
	Repayment of Loan Advanced	-	-	704.57	-	-
	Interest received on loan	-	-	4.17	-	2.38
Ashika Global Finance Pvt. Ltd.	Loan Recieved	105.00	-	11,130.00	1,400.00	-
	Repayment of Loan received	1,505.00	-	9,730.00	-	-
	Interest paid on Loan	27.92	-	232.10	-	-
Puja Sales Promotion Pvt. Ltd.	Security Deposit given	-	0.60	-	0.60	0.60
	Rent-expense	1.20	-	1.20	-	0.10
Pawan Jain (HUF)	Security Deposit given	-	1.00	-	1.00	1.00
	Office Maintenance-expense	3.62	-	3.62	-	-
	Rent-expense	3.62	-	3.62	-	-

**36.1** The remuneration paid by the Company during the year to its Chairman and Managing Director is in excess of the limits laid down under sub-section (3) of section 197 of the Act, for which requisite approvals in accordance with the said section read with schedule V to the Act has been obtained by the Company.

### 36.2 Compensation to KMPs:

Particulars	(₹ in lakhs)	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Short-term employee benefits	212.23	147.70
Post-employment benefits	2.15	2.26

**37.** 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.

**38.** The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant impact and volatility in global and Indian financial markets and slowdown in economic activities. On 24th March, 2020, the Indian Government announced a strict 21-day lock-down, which has been extended from time to time with or without relaxations across the country based on severity of the spread at local levels. The extent to which the COVID-19 pandemic will impact the Company's operational and financial results will depend on the future developments, which are uncertain, at this point of time including among other things any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by the Company. The lockdown started in late March and hence, there was minimal impact on Company's performance during the last quarter of the financial year.

The Reserve Bank of India (RBI) has issued guidelines relating to COVID-19 Regulatory Package on 27th March, 2020, 17th April, 2020 and 23rd May, 2020 and in accordance therewith, the Company has offered repayment moratorium to various eligible borrowers classified as standard, even if the said amounts were overdue on 29th February, 2020, excluding collections made in March 2020 prior to the offer. For all such accounts, where the moratorium is granted, the asset classification i.e. staging will remain at a standstill during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purpose of asset classification as per the guidelines). Extension of such moratorium benefit to the borrowers as per the COVID-19 Regulatory Package of RBI, by itself, is not considered to result in significant increase in the credit risk as per Ind AS 109 for staging of accounts. The additional provisions as required by the RBI circular dated 17th April, 2020 under Income Recognition, Asset Classification and Provisioning norms (IRACP

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)**

norms) has been considered for computing the provision as per IRACP norms to comply with the circular dated 13th March, 2020. 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, including the additional provision, to be adequate and expects that all other assets of the Company are recoverable.

39. 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.

40. 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
<b>Performing Assets</b>						
Standard	Stage 1	4,135.58	87.43	4,048.15	10.34	77.09
	Stage 2	164.32	3.47	160.85	6.52	(3.05)
<b>Subtotal</b>		<b>4,299.90</b>	<b>90.90</b>	<b>4,209.00</b>	<b>16.86</b>	<b>74.04</b>
<b>Non- Performing Assets (NPA)</b>						
Sub-standard (a)	Stage 3	-	-	-	-	-
Doubtful - upto 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
<b>Subtotal for Doubtful (b)</b>		-	-	-	-	-
Loss (c)	Stage 3	<b>822.65</b>	<b>822.65</b>	-	<b>822.65</b>	-
<b>Subtotal for NPA (a+b+c)</b>		<b>822.65</b>	<b>822.65</b>	-	<b>822.65</b>	-
<b>Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current IRACP norms</b>						
<b>Subtotal</b>	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
<b>Subtotal</b>		-	-	-	-	-
<b>Total</b>	<b>Stage 1</b>	4,135.58	87.43	4,048.15	10.34	77.09
	<b>Stage 2</b>	164.32	3.47	160.85	6.52	(3.05)
	<b>Stage 3</b>	822.65	822.65	-	822.65	-
	<b>Total</b>	<b>5,122.55</b>	<b>913.55</b>	<b>4,209.00</b>	<b>839.51</b>	<b>74.04</b>

41. Disclosure as per the RBI circular no. RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated 17th April, 2020 on "COVID 19 Regulatory Package - Asset Classification and Provisioning".

For the year ended 31st March, 2020

(i) Amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of the above Circular;

SMA Category	₹ in lakhs
SMA 0	193.20
SMA 2	128.53

(ii) Respective amount where asset classification benefits is extended : ₹ 128.53 lakhs

(iii) Provisions made during quarter ended 31st March 2020 in terms of paragraph 5 of above circular : The provision made by the Company as per the ECL model is more than the provision required by IRACP norms which is inclusive of additional 5% provision of ₹ 6.43 lakhs as per the above circular.

(iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6 : Not applicable

**42.** 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 42

For **Haribhakti & Co. LLP**

*Chartered Accountants*

ICAI Firm Registration No. 103523W/W100048

**Mahesh Agarwal**

*Partner*

Membership No. 067806

Place: Kolkata

Date: 15th June 2020

**For and on behalf of the Board of Directors**

**Pawan Jain**

*Chairman*

(DIN: 00038076)

**Anju Mundhra**

*Company Secretary*

**Daulat Jain**

*Managing Director & Chief Executive Officer*

(DIN: 00040088)

**Gaurav Jain**

*Chief Financial Officer*

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)****Annexure - I to Notes to Financial Statements (refer Note No. 37)**

Disclosure of details as required in terms of paragraph 19 of Master Direction - Non-Banking Financial Company-Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016

(₹ in lakhs)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
<b>Liabilities Side:</b>				
<b>(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:</b>				
(a) Debentures: Secured	-	-	-	-
Unsecured	-	-	-	-
(other than falling within the meaning of public deposits)				
(b) Deferred Credits	-	-	-	-
(c) Term Loans	-	-	-	-
(d) Inter-corporate loans and borrowing	-	-	283.00	-
(e) Commercial Paper	-	-	-	-
(f) Public Deposit	-	-	-	-
(g) Other Loans	-	-	-	-
Working capital facility	-	-	1,400.00	-
<b>(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :</b>				
(a) In the form of Unsecured debentures	-	-	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
(c) Other public deposits	-	-	-	-

(₹ in lakhs)

Assets Side:	As at 31st March, 2020	As at 31st March, 2019
	Amount outstanding	Amount outstanding
<b>(3) Break-up of Loans and Advance including bills receivables [other than those included in (4) below]</b>		
(a) Secured	1,517.60	1,600.10
(b) Unsecured	3,604.95	4,223.18
*items appearing under Note No. 4 of the audited financials statements, have been considered for the purpose of disclosure		
<b>(4) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities</b>		
(i) Lease assets including lease rentals under sundry debtors:		
(a) Financial Lease	-	-
(b) Operating Lease	-	-
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire	-	-
(b) Repossessed Assets	-	-
(iii) Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-





**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)****Annexure - I to Notes to Financial Statements (refer Note No. 37)**

Disclosure of details as required in terms of paragraph 19 of Master Direction - Non-Banking Financial Company-Non Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016

**(6) Borrower group-wise classification of assets financed as in (3) and (4) above**

(₹ in lakhs)

Category	As at 31st March, 2020 Amount net of provisions*			As at 31st March, 2019 Amount net of provisions*		
	Secured	Unsecured	Total	Secured	Unsecured	Total
(1) Related Parties **						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	147.36	147.36	-	-	-
(c) Other related parties	-	-	-	-	-	-
(2) Other than related parties	1,485.53	2,576.11	4,061.64	1,586.92	3,982.84	5,569.76
<b>Total</b>	<b>1,485.53</b>	<b>2,723.47</b>	<b>4,209.00</b>	<b>1,586.92</b>	<b>3,982.84</b>	<b>5,569.76</b>

\* Please see note 1 below

\*\* As per Ind AS issued by MCA. (Please see note 2 below)

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

(₹ in lakhs)

Category	As at 31st March, 2020		As at 31st March, 2019	
	Market Value/ Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value/ Break up or fair value or NAV	Book Value (Net of Provisions)
(1) Related Parties ***				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
(2) Other than related parties	0.01	0.01	0.01	0.01
<b>Total</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>

\*\*\* As per Ind AS issued by MCA. (Please see note 2 below)

**(8) Other Information**

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
	Amount	Amount
(i) Gross Non-Performing Assets \$		
(a) Related Parties	-	-
(b) Other than related parties	822.65	441.22
(ii) Net Non-Performing Assets \$		
(a) Related Parties	-	-
(b) Other than related parties	-	230.26
(iii) Assets acquired in satisfaction of debt	-	-

\$ NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS. 180 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

**Notes:**

1. Provisioning Norms shall be applicable as prescribed in Ind AS issued by MCA.
2. All Indian Accounting Standards issued by MCA are applicable including for valuation of investments.





# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Sri Pawan Jain	Executive Chairman & Whole Time Director
Sri Daulat Jain	Managing Director & CEO
Sri Sagar Jain	Independent Director
Smt. Sonu Jain	Independent Director (appointed w.e.f. 1st April 2019)
Smt. Suparna Sengupta	Independent Director

## CHIEF FINANCIAL OFFICER

Mr. Gaurav Jain (w.e.f. 10.08.2019)

## COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Anju Mundhra

## STATUTORY AUDITORS

Haribhakti & Co LLP  
Chartered Accountants  
Bagrodia Niket, 1<sup>st</sup> Floor  
19C, Sarat Bose Road,  
Kolkata – 700 020

## INTERNAL AUDITOR

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

## SECRETARIAL AUDITOR

M R & Associates  
Company Secretaries  
46, B. B. Ganguly Street,  
Kolkata- 700012

## PRINCIPAL BANKERS

HDFC Bank Ltd.  
INDUSIND Bank Ltd.

## REGISTERED OFFICE

'Trinity' 226/1 A. J. C. Bose Road,  
7th Floor, Kolkata – 700 020  
Tel : (033) 40102500  
Fax : (033) 4033254  
Email : [secretarial@ashikagroup.com](mailto:secretarial@ashikagroup.com)  
Website : [www.ashikagroup.com](http://www.ashikagroup.com)

## CORPORATE OFFICE

1008, Rahej Centre, 10<sup>th</sup> Floor  
214, Nariman Point, Mumbai - 400021  
Tel : (022) 66111700  
Fax : (033) 66111710  
Email : [ashika@ashikagroup.com](mailto:ashika@ashikagroup.com)

## BRANCH OFFICE :

7, B.B.Ganguly Street  
4<sup>th</sup> Floor, Kolkata – 700012  
Email : [secretarial@ashikagroup.com](mailto:secretarial@ashikagroup.com)

## CIN NO.

L67120WB1994PLC062159

## REGISTRAR & SHARE TRANSFER AGENT

Maheshwari Datamatics Pvt. Ltd.  
23, R.N.Mukherjee Road, 5<sup>th</sup> Floor,  
Kolkata 700 001

## AUDIT COMMITTEE

Sri Sagar Jain  
Smt. Suparna Sengupta  
Smt. Sonu Jain (appointed w.e.f. 01.04.2019)

## NOMINATION & REMUNERATION COMMITTEE

Sri Sagar Jain  
Smt. Suparna Sengupta  
Smt. Sonu Jain (appointed w.e.f. 01.04.2019)

## STAKEHOLDERS' RELATIONSHIP COMMITTEE

Smt. Sonu Jain (appointed w.e.f. 01.04.2019)  
Smt. Suparna Sengupta  
Sri. Sagar Jain



**Registered office**

Trinity, 226/1, A.J.C Bose Road  
7th Floor, Kolkata 700020

T: (033) 40102500, F: (033) 40033254

E: [ashika@ashikagroup.com](mailto:ashika@ashikagroup.com) / [secretarial@ashikagroup.com](mailto:secretarial@ashikagroup.com)

CIN: L67120WB1994PLC062159

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





## ASHIKA CREDIT CAPITAL LIMITED

CIN: L67120WB1994PLC062159

Registered Office: Trinity, 226/1, A.J.C. Bose Road, 7<sup>th</sup> Floor, Kolkata 700020

Tel: 033 40102500; Fax: 033 40102543

Website: www.ashikagroup.com; Email: secretarial@ashikagroup.com

### NOTICE CONVENING TWENTY SEVENTH ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Seventh Annual General Meeting (AGM) of the members of Ashika Credit Capital Limited ("the Company") will be held on Saturday the 5th day of September 2020 at 11.30 A.M through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business The venue of the meeting shall be deemed to be the registered office of the Company situated at "Trinity", 226/1, A.J.C. Bose Road, Kolkata - 700 020

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Annual Financial Statements of the Company for the financial year ended 31st March, 2020 (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 in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for reappointment.

**Explanation:** Based on terms of appointment, executive directors are subject to retirement by rotation. Mr. Pawan Jain, being longest serving member and who is liable to retire by rotation, being eligible, seeks re-appointment. The Board recommends his re-appointment.

Therefore, the shareholders are requested to consider and if thought fit, to pass with or without modifications, the following resolution as 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), Executive Chairman and 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."

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

(Anju Mundhra)

Company Secretary

Membership no : F6686

Date: 15.06.2020

Place: Kolkata

#### NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, wherein social distancing norms are to be followed, the Ministry of Corporate Affairs ("MCA") has vide its circular dated 5th May, 2020 read with circulars dated 8th April, 2020 and 13th April, 2020 (collectively referred to as "MCA Circulars") along with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, prescribing the procedures and manner of conducting the Annual General Meeting through such VC/OAVM, and dispensed with the personal presence of members at a meeting held at a common venue.

In terms of the said circulars and in compliance with provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Twenty Seventh Annual General Meeting (AGM) of the members will be held through VC/OAVM. Hence, members can attend and participate in the AGM through VC/OAVM only. National Securities Depositories Limited ('NSDL') will be providing facility for remote e-voting, participation in the AGM through VC / OAVM and e-voting during the AGM.

2. 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.

3. Pursuant to the Circular No. 14/2020 dated 8th April, 2020, issued by the Ministry of Corporate Affairs and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, the requirement of sending proxy forms to holders of securities as well as the facility to appoint proxy to attend and cast vote for the members as per provisions of Section 105 of the Act read with Regulation 44(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been dispensed with for this AGM to be held through VC/OAVM. Accordingly, the Proxy Form and Attendance Slips are not annexed to this Notice.
4. However, pursuant to Section 113 of Companies Act, 2013, Body Corporate are entitled to appoint authorised representatives for the purpose of voting through remote e-Voting or for the participation and e-Voting during the AGM, through VC or OAVM. 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 / Power of Attorney / appropriate Authorization Letter together with attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at goenkamohan@gmail.com with a copy marked to evoting@nsdl.co.in
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. 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 **Sunday, 30th August, 2020 to Saturday, 5th September, 2020 (both days inclusive)**.
7. In compliance with the MCA Circular No. 20/2020 dated 5 May, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May 2020 and owing to the difficulties involved in dispatching of, physical copies of the financial statements including Board's Report, Auditor's report or other documents required to be attached therewith (together referred to as Annual Report), the Annual Report for FY 2019-20 and Notice of AGM indicating the process and manner of Electronic Voting are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).  
  
Member may note that Notice and Annual Report 2019-20 has been uploaded on the website of the Company at [www.ashikagroup.com](http://www.ashikagroup.com). The Notice can also be accessed from the websites of the Stock Exchanges where the shares are listed and traded, viz, [www.bseindia.com](http://www.bseindia.com), [www.msei.in](http://www.msei.in), & [www.cse-india.com](http://www.cse-india.com). The AGM Notice is also available on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
8. Members holding the shares in physical mode are requested to notify immediately the change of their address and bank particulars to the R & T Agent of the Company i.e. Maheshwari Datamatics Pvt Ltd. In case shares held in dematerialized form, the information regarding change of address and bank particulars should be given to their respective Depository Participant. . Members are also advised 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.
9. All Statutory Registers and other relevant documents referred to in the Notice, Register of Directors and Key Managerial Personnel (KMPs) and their shareholding maintained under Section 170 of Companies Act, 2013 and the Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 shall be available for inspection by the Members at the AGM held through VC/ OAVM upon login at NSDL e-Voting system at <https://www.evoting.nsdl.com>.
10. As per the provisions of Section 72 of the Act, the facility for making nomination is available to the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website [https://ashikagroup.com/images/blog\\_images/nominationform.pdf](https://ashikagroup.com/images/blog_images/nominationform.pdf). Members holding shares in physical form may email the same to Company's RTA, Maheshwari Datamatics Pvt Ltd at [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com). Members holding shares in electronic form may submit the same to their respective depository participant.
11. As per Regulation 40 of SEBI (LODR) Regulations, 2015, as amended, transfer of securities would be carried out in dematerialised form only with effect from April 1, 2019, except in case of transmission or transposition of securities. However Members can continue to hold shares in physical form. In view of this and to eliminate all risks associated with physical shares, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company's Registrar and Share Transfer Agent, M/s Maheshwari Datamatics Pvt Ltd, for assistance in this regard.

12. The Securities and Exchange Board of India (SEBI) has mandated the submission of PAN and bank account details for all members holding share in physical form. Therefore, the Members are requested to submit their PAN and Bank Account details to the Secretarial Department of the Company through email at [investorservices@ashikagroup.com](mailto:investorservices@ashikagroup.com) or to Company's RTA, M/s. Maheshwari Datamatics Pvt Ltd through email at [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com). In this regard, the Members are requested to submit a duly signed letter along with self-attested copy of PAN Card(s) of all the registered Members (including joint holders). Members are also requested to submit original cancelled cheque bearing the name of the sole / first holder. In case of inability to provide the original cancelled cheque, a copy of Bank Passbook / Statement of the sole / first holder duly attested by the Bank, not being a date earlier than one month may be provided. Members holding shares in demat form are requested to submit the aforesaid documents to their respective Depository Participant (s).
13. As per Regulation 40(7) of the SEBI (LODR) Regulations, 2015, as amended, read with Schedule VII to the said Regulations, for registration of transfer of shares, the transferee(s) as well as transferor(s) shall mandatorily furnish copies of their Income Tax Permanent Account Number (PAN) Card. In case of transmission of shares held in physical mode, it is mandatory to furnish a self-attested copy of the PAN Card of the legal heir(s) / Nominee(s).
14. 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.
15. Members are requested to note that, dividends if not encashed for a consecutive 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"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends for the previous year from the Company's Registrar & Share Transfer Agent, M/s Maheshwari Datamatics Pvt Ltd at 23, R.N.Mukhetjee Road, 5th Floor, Kolkata - 700001, within the stipulated timeline by giving Folio no/ DP ID and Client ID. The Members, whose unclaimed dividends 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](http://www.iepf.gov.in).

The details of members whose dividend has remained unclaimed/unpaid and amounts lying with the Company as on 31 March 2020 is available on the website of the Company [www.ashikagroup.com](http://www.ashikagroup.com).

16. Members are requested to quote their Folio numbers / DP Id and Client Id in all communication / correspondence with the Company or its RTA.
17. At the 24th AGM held on 7th September 2017 the Members approved appointment of M/s Haribhakti & CO LLP, Chartered Accountants (Firm Registration No. 103523W/W100048) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 29th AGM to be held in the year 2022, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at this AGM.
18. 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

19. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

**THE PROCESS AND MANNER FOR MEMBERS OPTING FOR VOTING THROUGH ELECTRONIC MEANS ARE AS UNDER:**

20. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, , Secretarial Standards- 2 (SS-2) on General Meetings issued by the Institute of Company Secretaries Of India and Regulation 44 of SEBI (LODR) Regulations 2015, as well as the Circulars issued by the Ministry of Corporate Affairs dated 8th April, 2020, 13th April, 2020 and 5th May, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, the Company is pleased to provide its' members with the facility to exercise their right to vote on resolutions proposed to be considered at the Twenty Seventh AGM by electronic

means and the business may be transacted through e-Voting Services on all resolutions set forth in this notice. For the said purpose, the Board of Directors of the Company has engaged the services of National Securities Depository Limited (NSDL).

21. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members as on the cut-off date, i.e. **Saturday, 29th day of August, 2020**. Only those Members whose names are recorded in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting as well as avail the facility of e- voting at the AGM through VC/ OAVM. The voting rights of the Members shall be in proportion to their share(s) of the paid-up equity share capital of the Company as on the cut-off date. A person who is not a Member on the cut-off date should accordingly treat this Notice as for information purposes only.
22. The remote e-voting period commences on **Wednesday, the 2nd day of September, 2020 (9.00.A.M. IST) and ends on Friday, the 4th day of September, 2020 (5.00 P.M. IST)**, after which remote e-voting will be blocked by NSDL. During this period members of the Company, holding shares as on the **cut-off date i.e. Saturday, 29th day of August, 2020**, 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.
23. 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 shall be eligible to cast their vote through e-voting during the AGM. 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.
24. The details of the procedure and instructions for e-voting /joining the Twenty Seventh AGM, as applicable are as follows:  
 Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>  
 Step 2 : Cast your vote electronically on NSDL e-Voting system.

**Details on Step 1 to Log-in to NSDL e-Voting system are mentioned below :**

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 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password 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:

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
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. Your password details 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 contain your 'User ID' and your 'initial password'.
  - ii) If your email ID is not registered with the Depository, please follow steps mentioned below in notice 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](http://www.evoting.nsdl.com)
  - b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the one-time password (OTP) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, click 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.

**Details on Step 2 to cast vote electronically on NSDL e-Voting System are mentioned below :**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of Ashika Credit Capital Limited
4. Now you are ready for e-Voting as the Voting page opens.
5. 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.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**PROCEDURE FOR E-VOTING ON THE DAY OF AGM :**

- a) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- b) Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- c) Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

**GENERAL INFORMATION FOR SHAREHOLDERS**

25. 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](http://www.evoting.nsdl.com) to reset the password.
26. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). or contact Mr. Amit Vishal, Senior Manager/ Ms. Pallavi Mhatre, Manager of NSDL at Telephone Nos.: (022) 24994360 / (022) 24994545 or at e-mail id: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or at NSDL, 'Trade World', A'Wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai - 400013. For any further assistance, you may contact Mr. Jyotirmoy Banerjee, Investor Relations Manager at Telephone No.: (033) 22895796.
27. 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, 29th day of August, 2020**, 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](mailto:evoting@nsdl.co.in) or [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com). However, if he/she is already registered with NSDL for remote e-voting then he/she can use your existing user ID and password for casting your 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](http://www.evoting.nsdl.com).
28. Mr. Mohan Ram Goenka, Practising Company Secretary (CP No. 2551), Partner at M/s. M.R. & Associates, 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.
29. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same..
30. 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 48 hours 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](http://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 immediately 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.
31. **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice :**
  - a) If your email is already registered with Company/Depository participant, login details for e-voting will be sent on your registered email address.
  - b) In case you have not registered your email address with the Company / Depositories participant, please follow below instructions to register your email address for obtaining Annual Report and login details for e-voting :

<b>Physical Holding</b>	Send a request to the Maheshwari Datamatics Pvt Ltd, Registrar and Share Transfer Agent of the company at <a href="mailto:mdpldc@yahoo.com">mdpldc@yahoo.com</a> with scan copy of signed request letter, providing name of shareholder, Folio No., scanned copy of the share certificate (front and back) and self attested scan copy of Pan Card and Aadhar card for registering email address
<b>Demat Holding</b>	Please contact your Depository Participant and register your email address as per the process advised by your DP.

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

32. Member will be provided with a facility to attend the AGM through VC/OAVM or view the live webcast of AGM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/ members login by using the remote e-voting credentials and selecting the EVEN for Company's AGM..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. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

33. 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.
34. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)/ 1800-222-990 or contact Mr. Amit Vishal, Senior Manager – NSDL at [amitv@nsdl.co.in](mailto:amitv@nsdl.co.in)/ 022-24994360/ +91 9920264780 or Mr. Sagar Ghosalkar, Assistant Manager- NSDL at [sagar.ghosalkar@nsdl.co.in](mailto:sagar.ghosalkar@nsdl.co.in)/ 022-24994553/ +91 9326781467 .
35. 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 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.
36. As the AGM is being conducted through VC / OAVM, members are encouraged to express their views /send their queries in advance mentioning their name, DP Id and Client Id/Folio No., e-mail id, mobile number at [secretarial@ashikagroup.com](mailto:secretarial@ashikagroup.com) to enable smooth conduct of proceedings at the AGM. Questions /Queries received by the Company on or before Saturday, 29 August 2020 on the aforementioned e-mail id shall only be considered and responded to during the AGM.
37. Members willing to express their views or ask questions during the AGM are required to register themselves as speakers by sending their requests from Monday, August 31, 2020 (9:00 A.M. IST) to Wednesday, September 2, 2020 (5:00 P.M. IST) at [secretarial@ashikagroup.com](mailto: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 Chairman of the Meeting / the Company reserves the right to restrict the number of questions, time allotted and number of speakers to ensure smooth conduct of the AGM.
38. Members seeking any information on the financial accounts, operations or any matter to be placed at the AGM, are requested to write to the Company till 5.00 P.M. (IST) on Monday, August 31, 2020 through e-mail at [secretarial@ashikagroup.com](mailto:secretarial@ashikagroup.com) and the same will be suitably replied by the Company.

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

**(Anju Mundhra)**

*Company Secretary*

Membership no : F6686

Date: 15.06.2020

Place: Kolkata

**ANNEXURE TO THE NOTICE**
**DETAILS OF THE DIRECTOR SEEKING RE-APPOINTMENT AT THE TWENTY SEVENTH 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
DIN	00038076
Age	13 <sup>th</sup> July 1965
Qualification	B.Com (Hons), FCA
Experience	25 years +
Expertise in specific functional Area	NBFC business, Merchant Banking activities, Debt Syndication, Depository, Broking services
Terms and Conditions of Appointment/ Reappointment along with details of remuneration sought to be paid	Reappointed pursuant to Section 152 of Companies Act, 2013. Further, Mr. Pawan Jain has forgone his salary for the whole of F.Y. 2020-2021 on account of covid-19 pandemic situation and would be taking only Re. 1/ as remuneration for the above-mentioned F.Y.
Remuneration Last drawn (including sitting fee, if any) as per last audited Balance sheet as on 31 <sup>st</sup> March 2020	1.70 Cr
Date of first appointment on the Board	08/03/1994
Relationship with other Directors / KMP	Mr. Pawan Jain is brother of Mr. Daulat Jain
Directorship held in other Companies	<ul style="list-style-type: none"> <li>❖ Ashika Properties Pvt Ltd</li> <li>❖ Ashika Entercon Pvt Ltd</li> </ul>
Membership / Chairmanship of the Committee of the Board of Directors of other Companies in which he/she is a Director	NA
Number of Equity Shares held in the Company as on 31.03.2020	789000 in capacity of Karta of Pawan Jain – HUF