

23rd August 2021

|  |   |   |
|--|---|---|
| <p>The Listing Department<br/>The Calcutta Stock Exchange Limited,<br/>7, Lyons Range,<br/>Kolkata-700 001<br/>Scrip Code: 11591&amp; 10011591</p> | <p>General Manager<br/>Department of Corporate Service<br/>BSE Ltd<br/>Phiroze Jeejeebhoy Towers<br/>Dalal Street, Mumbai - 400001<br/>Scrip Code: 590122</p> | <p>Head- Listing &amp; Compliance<br/>Metropolitan Stock Exchange of India Limited (MSEI)<br/>Vibgyor Towers, 4th Floor, Plot C-62,<br/>Opp. Trident Hotel, Bandra Kurla Complex, Bandra Kurla (E), Mumbai-400098<br/>Symbol Name: ASHIKA</p> |
|--|---|---|

Dear Sir/Ma'am,

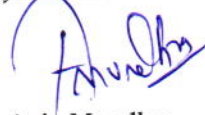
**Sub: Submission of Annual Report convening the 28th Annual General Meeting of Ashika Credit Capital Limited for the Financial Year ended 31st March 2021**

Pursuant to Regulation 30 read with Part A (Para A) of Schedule III and Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereof, please find enclosed herewith the Annual Report alongwith Notice convening the 28<sup>th</sup> Annual General Meeting (AGM) of Ashika Credit Capital Limited ("the Company") scheduled to be held on **Saturday, 18<sup>th</sup> September, 2021 from 11:30 A.M.** onwards through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) for the Financial Year ended 31<sup>st</sup> March, 2021.

Members may note that Notice of AGM and Annual Report for Financial Year 2020-2021 is also being sent through electronic mode to all the Members of the Company whose email address is registered with the Company / Company's Registrar and Transfer Agent, Maheshwari Datamatics Pvt Ltd / Depository Participant(s). The Said Annual Report along with AGM notice has also been made available on the website of the company under the web link at [https://ashikagroup.com/images/blog\\_images/AnnualReport2020-2021.pdf](https://ashikagroup.com/images/blog_images/AnnualReport2020-2021.pdf)

This is for your information and record.

Thanking you,  
for Ashika Credit Capital Limited



Anju Mundhra  
Company Secretary  
FCS: 6686



Encl: As above

**Registered Office:**

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

**Group Corporate Office:**

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

**TOUGH  
TIMES  
DON'T LAST  
BUT  
TOUGH  
PEOPLE  
DO**



**Ashika Credit Capital Limited**  
Annual Report 2020-21



**1-7**  
**Corporate Overview**

We explain who we are, where we operate, our business model and strategy, corporate action and we have performed.

- 
- 1 Corporate Information
  - 2 Two ways to react to the tough times.
  - 3 Our principles and values
  - 4 Chairman's Message
  - 6 In Tough Times



**8 - 53**  
**Statutory Reports**

We explain our approach to various statutory obligation of directors through their reports and mandatory explanations of certain sections through their annexures.

- 
- 8 Board's Report
  - 17 Annexure I
  - 18 Annexure II
  - 21 Annexure III
  - 24 Corporate Governance Report
  - 45 Management Discussion & Analysis report



**54-110**  
**Financial Section**

This section contains the financial statements, the auditors' report, the accounting policies and the notes forming part of the accounts.

- 
- 55 Independent Auditor's Report
  - 59 Annexure I
  - 61 Annexure II
  - 62 Balance Sheet
  - 63 Statement of Profit & Loss
  - 64 Statement of Cash Flow
  - 66 Notes to Financial Statements

Notice of AGM



You can also find this report online on :  
[www.ashikagroup.com](http://www.ashikagroup.com)

The cover depicts a team of climbers which are trying to move at the end point of a pre-defined route. Despite the inherent difficulty (and oftentimes great risk) associated, these climbers with their conviction, strength, endurance, agility and balance, along-with mental control aspires to reach the top of the summit.

At Ashika, it is the collective vision of our associated stakeholders which has led us to this conviction and self-belief that "Every problem has a solution". It is our attitude to get going when the going gets tough as well as fight to face the obstructions and create a winning & sustainable journey for us.



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

|                       |                         |
|-----------------------|-------------------------|
| Sri Pawan Jain        | Executive Chairman      |
| Sri Daulat Jain       | Managing Director & CEO |
| Sri Sagar Jain        | Independent Director    |
| Smt. Sonu Jain        | Independent Director    |
| Smt. Suparna Sengupta | Independent Director    |

## CHIEF FINANCIAL OFFICER

Sri Gaurav Jain

## COMPANY SECRETARY & COMPLIANCE OFFICER

Smt. 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 – 700 013

## SECRETARIAL AUDITOR

M R & Associates  
Company Secretaries  
46, B. B. Ganguly Street,  
Kolkata - 700 012

## PRINCIPAL BANKERS

HDFC Bank Ltd.

## REGISTERED OFFICE

'Trinity' 226/1 A. J. C. Bose Road,  
7th Floor, Kolkata – 700 020  
Tel : (033) 40102500  
Fax : (033) 40033254  
Email : secretarial@ashikagroup.com  
Website : www.ashikagroup.com

## CORPORATE OFFICE

1008, Raheja Centre, 10<sup>th</sup> Floor  
214, Nariman Point, Mumbai - 400 021  
Tel : (022) 66111700  
Fax : (033) 66111710  
Email : ashika@ashikagroup.com

## BRANCH OFFICE

7, B. B. Ganguly Street  
4<sup>th</sup> Floor, Kolkata – 700 012  
Email : 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, Chairman  
Smt. Suparna Sengupta, Member  
Smt. Sonu Jain, Member

## NOMINATION & REMUNERATION COMMITTEE

Sri Sagar Jain, Chairman  
Smt. Suparna Sengupta, Member  
Smt. Sonu Jain, Member

## STAKEHOLDERS' RELATIONSHIP COMMITTEE

Smt. Sonu Jain, Chairman  
Smt. Suparna Sengupta, Member  
Sri Sagar Jain, Member

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Smt. Sonu Jain, Chairman  
Sri Sagar Jain, Member  
Sri Daulat Jain, Member

There are two ways to react to the tough times.

**One**, to let it bring your conviction down.

**Two**, to take it in your strides, learn the lesson and create a powerful position to rise from the next time.

The year gone-by may not have been a spectacular one. It tested the credibility of our business model and our foresightedness of how far we can travel with self-conviction. During the year we geared up our core competencies, in other words, we survived, learned and came out

**as one of the toughest people backed by our resolve and self-conviction.**



# This is how we are guided by our principles and values

Our aim is to strike the right balance between meeting the needs of stakeholders and the management, which is achieved by pursuing some enduring values.



**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.



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



**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.



**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.



**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.



**Transparency:** Our constant endeavor is to maintain transparency in all of our dealing with stakeholders, media, investors and public at large.



## Chairman's Message

### *Dear Shareholders,*

When I sit down to write this letter, I reflect on the year that's passed, and it often feels like a distant memory. By nature, I focus on what lies ahead. But right now, it's not so easy to draw that distinction between years. More than 15 months after COVID-19 became a global health crisis, we are still confronting its impacts daily and have yet to return to normalcy. For billions of people around the world, the pandemic has brought on hardships – physically, emotionally, mentally and financially. I truly believe we will come out of this situation, till then I request you all to be very cautious and take care of your health and strictly follow the guidelines issued by State and Central Governments for Covid and get vaccinated.

#### **Tough economic times and tougher resolve**

FY 2020-21 has not been less challenging and disrupting and rather it was a mirror of the FY 2019-20, particularly for the financial sector. Liquidity crunch, volatile consumer sentiment, uncertain times and

slow economic take-off created headwinds. India's non-banking financial companies grew at a slower pace in second and third quarters of financial year 2020-21 on an annualised basis due to COVID-19-led disruptions as well as muted demand but continued to disburse credit.

During these tough times, we kept our way forward with a clear vision and resolve: **“Tough Times don't last, but Tough People do”** and we should continue to strengthen our core, encourage innovation, invest in our people and identify potential growth avenues. These significant steps will help drive sustainable growth. The financial services industry has a lot of potential in India and our Company is well poised to exploit this potential.

Demand contraction and liquidity squeeze affected the industry during the early part of the pandemic, especially between April-June 2020. India had one of the longest lockdowns than anywhere else in the



world. But the regulators intervened at the right time with measures to support the industry to tackle the pandemic. The LTRO, moratorium, NPA forbearance and timely intervention from RBI with multiple tranches of liquidity; along with a pent-up demand led to a V-shaped recovery for the domestic economy and these all helped the industry to get over the liquidity squeeze.

### Performance overview

Despite the prevailing challenges, we have displayed commendable tenacity in the face of adversity. For the year FY 2020-21, our disbursement stood at ₹ 4,893.28 Lacs which was almost flat in comparison to the previous year. The total income stood at ₹ 684.01 Lacs and profit for the year stood at ₹ 163.49 Lacs as compared to Loss in previous year. During the current financial year ₹ 570.05 Lacs was written-off whose provisions were made during the previous financial year. At Ashika, we are overcoming expected and unexpected challenges by implementing stable strategies and embracing agility, and hope to reward shareholders in the coming years.

### Sound Corporate Governance

For Ashika, good governance has always been the hallmark of the traits that our management possess. The Compliance and Legal team continues their good work, ensuring the company's adherence to best-in-class regulatory framework and strict corporate governance practices. The Risk Management team always focuses on a comprehensive and integrated risk management framework that includes risk-based pricing, structured reporting and control measures.

### Outlook

India has always believed in "Vasudhaiva Kutumbakam" (the world is one big family). Central Govt. of India has envisaged a vision of "Shared Future in a Fractured World" and have initiated a slew of economic and social measures that would make India the world's third-largest – a five trillion economy by 2024-25 and a ten trillion dollar economy by 2034. Although Covid-19 pandemic has caused a temporary de-growth. However, in the long term, the growth story is intact and very robust. India's economic growth story is well supported by the three pillars, First - an active and

robust debt market ecosystem; Second - a healthy capital market system enabled by high savings to GDP%; Third - a steady vaccination drive conducted by various state governments across the length and breadth of the country. Around 132 million people - mostly from the vulnerable segment of the population - have been inoculated in a span of three months which would result in economy getting back to the pre-covid levels as soon as the businesses rebounds.

### Conclusion

Looking ahead, the NBFC industry will see definite stress in the short term. However, we remain confident of the return to normalcy in disbursement growth and gradual reduction of stress on the assets by the second half of the FY 2021-22. As a financial engine that services the liquidity requirements of SMEs, the economic recovery requires the NBFC industry to stay healthy. We continue to be prudent and ensure that we are adequately prepared to ride the wave when the economic activities return to normalcy. Looking ahead, in long run your Company sees enormous opportunities for growth.

With immense proud I express my sincere thanks to my team members who during this tough time had met their commitment and dedication and worked diligently to serve our esteemed customers and other stakeholders. We got massive support from all our well-wishers, Board members and clients who had bestowed their trust on us and are looking forward for every bodies continued support in this Journey.

With warm regards

**Pawan Jain**



# In tough



## We were as usually strengthening our relationship

At Ashika, we are always working together to shape a vision of relationship based business.

The Company has established a long standing relationship with bankers and clients, which is at the core of Ashika's long term vision to on lending the priority sector along-with the budding SMEs and entrepreneurs in various parts of India. Strongly embedded with the Indian financial landscape, today the Company has gained a huge confidence of varied agencies and the banking system.



# times



## **Our operational excellence and an astounding management structure was our guiding force**

Ashika's, experienced and senior management team possess nearly 3 decades of cumulative experience in the domestic financial services industry.

With a keen understanding of the domestic financial market ecosystem, the senior management team has guided the organisation towards its vision of establishing itself as an independent credit institution in India. The management's bandwidth and guidelines laid down by them - right from credit approvals to disbursement process has made us achieve industries best practices through a stringent code of conduct over and above the regulatory requirements. The Company's interest rate policy, is in compliance with RBI norms, aims to create a fair and transparent standard to determine pricing. The interest rate on loans disbursed is contingent on a number of factors including the tenure of the loan, the internal and external cost of funds, internal cost loading and the credit strength of the customer, among others. These industry practices have enabled the Company to successfully close a number of transactions for many individuals and corporate during the past financial years.



## Board's Report

Dear Shareholders,

The Board of Directors are pleased to present the Company's 28th Annual Report covering its' business and operations, together with the annual audited financial statements (standalone) for the financial year ended 31st March, 2021.

### 1. FINANCIAL HIGHLIGHTS

(Amount in ₹ Lacs)

| Financial results for the year ended                               | 31st March, 2021 | 31st March, 2020 |
|--|------------------|------------------|
| Total Income   | 684.01           | 723.88           |
| Profit/ (Loss) before tax  | 247.34           | (351.74)         |
| Less: Tax Expenses   | (83.85)          | (97.81)          |
| Profit / (Loss) for the year                                       | 163.49           | (253.93)         |
| Other Comprehensive Income/ (Loss) for the year, net of Income Tax | 1.29             | 0.20             |
| <b>Total Comprehensive Income</b>                                  | <b>164.78</b>    | <b>(253.73)</b>  |

### 2. STATE OF COMPANY AFFAIRS:

The year 2020-2021 was a totally unpredictable year for the entire nation. The world and certainly India has seen significant change – various lockdowns and unlocks continued due to the COVID-19 pandemic. However, slowly but surely, we are trying to come back to what would be the new normal. The impact that this pandemic has had on our lives and livelihoods – right from reduction in GDP to employment uncertainties to supply chain disruptions – would take significant time to undo. This adverse impact was experienced in other countries too across the globe in varying degrees. While the full impact of the COVID-19 lockdown was felt in the April-June quarter, the worst may have been avoided



## Board's Report



with a faster than expected recovery, in the second half of 2020, the industry showed signs of early recovery. Due to the impact of COVID-19, the Gross Domestic Product ('GDP') is expected to contract by 7.7% in fiscal 2020-21, as per the first advance estimates released by the National Statistical Office.

It's hard to conceive that for more than a year the COVID-19 pandemic has wreaked havoc around the world. Many of us have never lived through anything like the coronavirus, nor such an incredible amount of disruption had existed in our daily lives. In the last quarter of 2020, RBI came up with measures pertaining to COVID-19 Regulatory package to ensure the continuity of viable businesses. NBFC's were initially allowed to grant a moratorium of three months from 01.03.2020 to 31.05.2020 and thereafter RBI came up with another circular on 23.05.2020 granting extension of another 3 months on payment of all installments falling due between 01.06.2020 to 31.08.2020. The repayment schedule for such loans as also the residual tenor was shifted across the board by six months after the moratorium period. Interest continued to accrue on the outstanding portion of the term loans during the moratorium period. The company has adopted this COVID -19 Regulatory package and granted moratorium period to parties who has requested for the same.

Your company has recorded revenue from operations of Rs 652.12 Lacs during the year as Interest Income as compared to Rs 691.16 Lacs in its previous years showing an equivalent growth even during this pandemic. The finance cost of the company is Nil during the financial year. Due to Covid 19 pandemic, the Executive directors had taken an initiative and waived off their remuneration for the FY 2020-2021, the employee cost reduced to Rs 83.37 lacs from Rs

282.10 Lacs. Overall, your company has shown a positive growth during the critical phase of economy. Company has booked profit after tax of Rs 163.49 lacs for the FY 2020-2021 as compared to Loss of Rs 253.93 lacs in its previous year. In spite of profit your company has faced challenges, being in business of granting Loan. During the year under review, some of the loans for which provisioning were done in the previous FY has been written off as bad debt amounting to Rs 570.93 Lacs and provision of Rs 395 lacs were made as per applicable norms and Expected Credit Loss policy of the company.

### 3. COVID 19

The outbreak of the COVID-19 pandemic in the last quarter of 2019-2020 and the measures adopted by governments in countries worldwide to mitigate the pandemic's spread have significantly impacted the business and people's lives. 2020 witnessed unprecedented disruptions in the lives and livelihoods of millions of people in India and across the world. There were partial and full lockdowns announced by government at different stages and time. Management immediately took steps for safety measures of employees, business partner and communities and work from home facilities was provided to employees and office was operated with required minimum staff. After significant GDP contraction in the April to June quarter, the nation witnessed a gradual recovery in its economy. The Government has announced strong measures to bring the economy back on growth trajectory, thereby increasing the momentum of employment generation. The economy has begun to show growth in several core sectors. However, during the last quarter, India has seen re-surge in Covid cases more particularly referred as 'second wave' which has impacted lives of people in drastic manner and may have



## Board's Report

its significant impact on economy. There is uncertainty over how the outbreak will impact the business in future period.

### 4. CHANGE IN NATURE OF BUSINESS:

There has been no change in nature of business of the company during the F.Y. 2020-2021. 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.

### 5. DIVIDEND:

The company has earned profit during the year under review and the said profit be ploughed back in the company and so Board of Directors decided not to recommended any dividend for the financial year ended 31st March 2021.

### 6. CHANGES IN SHARE CAPITAL:

The Authorized Share Capital of your Company as on 31st March, 2021 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 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 of shares.

### 7. TRANSFER TO RESERVE:

Your company proposed to transfer Rs 32.70 Lacs to statutory reserves u/s 45 IC of RBI Act, 1934 for the year ended 31st March 2021.

### 8. DIRECTORS & KEY MANAGERIAL PERSONNEL:

#### DIRECTORS

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

Ms. Suparna Sengupta (DIN 07689952) was appointed as Independent Director of the Company at the 25th Annual General Meeting of the Company held on 1st September, 2018, for a term of three (3) consecutive years w.e.f 14th February, 2018. Based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company, the Board of Directors, vide resolution passed by circulation dated 4th February, 2021, had approved her re-appointment for a second term

of three (3) consecutive years w.e.f. 14th February, 2021. 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. Suparna Sengupta, for the office of Director

Pursuant to the recommendation of the Nomination & Remuneration Committee, Ms. Sonu Jain (DIN: 07267279) was appointed as an Independent Director of the company at the 26th AGM of the company held on 9th August 2019 for a term of 3 consecutive years w.e.f 01.04.2019. Further Based on recommendation of Nomination and Remuneration Committee and subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company, the Board of Directors in their meeting held on 06.05.2021, had approved her re-appointment for a second term of three (3) consecutive years w.e.f. 1st April 2022. 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.

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

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

Mr. Daulat Jain (DIN 00040088) Managing Director of the Company, is liable to retire by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment. Your Board recommends the reappointment of Mr. Daulat Jain as a Director of the Company, liable to retire by rotation.

Necessary Resolution(s) along with disclosure(s) / information(s) in respect of the directors seeking appointment / re-appointment at the ensuing AGM are being given in the Notice convening the ensuing AGM.

#### INDEPENDENT DIRECTORS

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

## Board's Report

Code for Independent Directors as prescribed in Schedule IV to the Companies Act, 2013 and also with the Company's Code of Conduct applicable to all the Board Members and Senior Management Personnel of the Company for the financial year ended 31st March 2021.

Your Company has noted that the names of all Independent Directors has been included in the data bank maintained with the Indian Institute of Corporate Affairs, Manesar ('IICA'). Accordingly, all the Independent Directors of the Company have registered themselves with IICA for the said purpose. In terms of Section 150 of the Act read with the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended thereof, Mr. Sagar Jain, Independent Director is exempted from undertaking online proficiency self-assessment test conducted by the IICA. Further, Ms. Sonu Jain and Ms. Suparna Sengupta have duly cleared the online proficiency self-assessment test within the prescribed timeline with good pass percentage. In lieu of the same, the Board of Directors confirm that the Independent Directors meet the criteria of proficiency in terms of Rule 8 of the Companies (Accounts) Rules, 2014 (as amended).

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

### FAMILIARIZATION PROGRAMME

In terms of Regulation 25(7) of the Listing Regulations, all new Directors (including Independent Directors) inducted to the Board go through a structured orientation programme. They are given an overview of the company's operations, to familiarize the new Directors with the Company's business operations. They are also given an orientation on the group structure, Board constitution and procedures, and the major risks and risk management strategy of the Company. During the year under review, no new Independent Directors were inducted to the Board. Details of orientation given to the existing independent directors in the areas of strategy, operations & governance and industry trends are available on the website of the Company at [https://ashikagroup.com/pdf/familiarization\\_programme/1617269278.pdf](https://ashikagroup.com/pdf/familiarization_programme/1617269278.pdf)

### KEY MANAGERIAL PERSONNEL

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

- Mr. Pawan Jain-Executive Chairman and Whole time Director

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

### 9. MEETINGS OF THE BOARD:

The Board met four times during the year under review. The intervening gap between the two meetings had exceeded 120 days and accordingly company has availed the extension granted by MCA due to Covid pandemic. The Committees of the Board usually meet the day before or on the day of the formal Board meeting, or whenever the need arises for transacting business. Only in case of special and urgent business, if the need arises, the Board's/Committee's approval is taken by passing resolutions through circulation or by calling Board/Board Committee meetings at 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.

Board meetings during FY 2020-2021 were held on: 15th June, 2020, 10th August, 2020, 20th October, 2020 and 14th February, 2021. Further details are provided in Report on Corporate Governance.

### 10. EXTRACT OF ANNUAL RETURN:

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return of the Company for the Financial Year ending 31st March, 2021 is uploaded on the website of the Company and is available at [www.ashikagroup.com](http://www.ashikagroup.com) and can be accessed at the weblink [https://ashikagroup.com/accl/annual\\_return\\_under\\_companies\\_act.php](https://ashikagroup.com/accl/annual_return_under_companies_act.php)

### 11. BOARD COMMITTEES:

The Company has constituted mandatory Board-level committees comprising of Executive and non executive directors in compliance with the requirements of the business and relevant provisions of applicable laws and statutes:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholder's Relationship Committee
- Corporate Social Responsibility Committee

In addition of the above, the Board has composed other committees as per RBI Regulations and other internal committee for the ease of carrying on business.

The details of mandatory Board committees with respect

## Board's Report

to the composition, terms of reference, number of meetings held, etc. are included in the Report on Corporate Governance, which forms part of the Annual Report. During the year recommendations made by Audit committee were accepted by the Board.

### **NOMINATION & REMUNERATION POLICY**

Based on the recommendations of NRC, the Board has approved the Nomination & Remuneration Policy for 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, as required. The Policy enumerates the powers, roles and responsibilities of the Nomination and Remuneration Committee. The Policy broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to the Executive and Non-Executive Directors (by way of sitting fees, commission), Key Managerial Personnel and SMP. As part of the policy, the Company strives to ensure that:

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

The salient features of the Policy are:

- It lays down the criteria for determining qualifications, positive attributes and independence of a director (Executive / Non-Executive) and recommends to the Board of Directors of the Company, policies relating to the remuneration of the Directors, Key Managerial Personnel and other employees
- The remuneration policy seeks to enable the company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations.
- The remuneration policy will ensure that the interests of Board members, KMP & SM are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the company and will be consistent with the "pay-for-performance" principle.
- The remuneration policy will ensure that remuneration

to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

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

### **12. FORMAL ANNUAL EVALUATION:**

The Annual Performance Evaluation of the Board, Individual Directors (including Managing Director/ Executive Director, Chairperson and Independent Director of the Company), Committees of the Board, Self Evaluation of Individual directors, excluding the director being evaluated and Peer-to-peer Evaluation has been conducted pursuant to the applicable provisions of Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Guidance Note issued by SEBI pertaining to Board evaluation process and also Guidance Note on Board Evaluation process issued by Institute of Company Secretaries of India (ICSI) dated August, 2020. Your company has revised its Evaluation process as recommended by NRC committee and approved by Board in its meeting held on 20.10.2020. The criteria applied in the evaluation process are explained in the Report on Corporate Governance, which forms part of the Annual Report.

### **13. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:**

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

However, as per the provisions of Section 136 of the Companies Act, 2013, the report and financial statements are being sent to the Members and others entitled thereto after excluding the disclosure on particulars of employees. The disclosure is available for inspection by the Members at the Registered Office of your Company during business hours on all working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write an e-mail to [secretarial@ashikagroup.com](mailto:secretarial@ashikagroup.com). Further during the year none of the employee was in receipt of the remuneration in excess of the limit laid down in rule 5(2) throughout the FY or even part of the FY.

Due to on-going Covid 19 pandemic and its overall effect on the Global economy, Your Executive Directors Mr Pawan

## Board's Report

Jain and Mr Daulat Jain had forgone their remuneration for the FY 2020-2021 from the company and Mr Pawan Jain has received only ₹ 1/- as remuneration.

### 14. DETAILS OF SUBSIDIARY / JOINT VENTURES / ASSOCIATE COMPANIES:

Your Company has neither a Subsidiary Company nor a Joint Venture Company or an Associate Company during the year under review. Hence, disclosure regarding the same is not applicable to the Company under the Companies Act, 2013.

### 15. AUDITORS

#### STATUTORY AUDITORS

Members of the Company at the 24th Annual General Meeting (AGM) of your Company held in the year 2017, approved the appointment of M/s. Haribhakti & Co. LLP, Chartered Accountants, having Firm Registration No. 103523W / W100048, 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. In terms of the provisions relating to statutory auditors forming part of the Companies Amendment Act, 2017, notified on May 7, 2018, ratification of appointment of Statutory Auditors at every AGM is no more a legal requirement. Accordingly, the Notice convening the ensuing AGM does not carry any resolution on ratification of appointment of Statutory Auditors. Pursuant to regulation 33 of the SEBI (LODR) Regulations, 2015, the Statutory Auditors holds a valid peer review certificate as issued by the Peer Review Board of the ICAI.

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 2021. In the Audit Report under "Emphasis of Matter" attention is drawn to Note No. 2 to the Statement, which explains the staging of accounts to whom moratorium benefit was extended 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. Auditor opinion is not modified in respect of the matter.

During the year under review, neither the statutory auditors nor the secretarial auditor have reported to the Audit Committee of the Board, under Section 143(12) of the Act, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in this Report.

RBI has issued Guidelines for appointment of Statutory

Central Auditor (SCA)/ Statutory Auditor (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) vide its circular No. RBI/2021-22/25 Ref. No DoS.CO.ARG/ SEC.01/08.91.001/2021-22 dated April 27, 2021 read with FAQ which inter alia mandates certain criteria for appointment & tenure of Auditors. The Company will comply with the said guidelines in due course.

#### SECRETARIAL AUDITORS:

Section 204 of the Act inter alia requires every listed company to annex to its Board's report, a Secretarial Audit Report, given in the prescribed form, by a Company Secretary in practice. The Board had appointed M/s. M R & Associates, Practising Company Secretaries, as the Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial Year 2020-2021 and their report is annexed to this report (Annexure II). There is no adverse finding or qualification given by Secretarial Auditor in its Report.

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

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

The Company has a Vigil Mechanism/Whistle Blower Policy in terms of Section 177 of the Companies Act, 2013, Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereof, and Regulation 9A (6) of SEBI (Prohibition of Insider Trading) Regulations 2015. Directors, employees of the Company may 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 inappropriate functioning of the organization which is impacting and compromising with the interest of the Company and its stakeholders in any way. The Audit committee oversees the functioning of this policy. No person is denied access to the Chairman of the Audit Committee.

The said policy is available on the website of the Company [www.ashikagroup.com](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.

### 17. RISK MANAGEMENT FRAMEWORK:

The Company's governance structure has well defined roles and responsibilities, which enable and empower the



## Board's Report

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 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 Covid-19 risk and ensuring that they are contained within pre-defined threshold levels.

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

### **18. CORPORATE SOCIAL RESPONSIBILITY:**

The CSR committee of the company comprises of three (3) members out of which two (2) are Independent Director. The committee is chaired by Independent Director. Details of the role and functioning of the Committee are given in the Report on Corporate Governance, which forms part of the Annual Report.

The objective of the Company's Corporate Social Responsibility ("CSR") initiatives is to improve the quality of life of communities through long-term value creation for all stakeholders. The Company has in place a CSR policy which provides guidelines to conduct CSR activities of the Company. 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.

Further, pursuant to the introduction of Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 w.e.f. 22nd January 2021 and notification of certain sections of Companies (Amendment) Act, 2019 and Companies (Amendment) Act, 2020 w.e.f. 22nd January 2021, the Corporate Social Responsibility policy of the Company has been revised in line with the aforesaid amendments in the Companies Act, 2013 and Companies

Rules, as recommended by CSR committee and approved by Board and is available on the website of the Company at <https://ashikagroup.com/pdf/policies/Corporate-Social-Responsibility-Policy-14.02.2021.pdf>. During the year under review, your Company spent an amount of ₹ 10 lacs as against its 2% obligation (i.e. 2% of Average Net Profits of the Company for the preceding three financial years) of ₹ 7.88 lacs for the said F.Y. Hence, there was excess expenditure of ₹ 2.12 Lacs during the CSR spend of F.Y. 2020-2021 and the same shall be set-off as against the CSR obligations for the succeeding Financial Year.

The Annual Report on CSR activities, in terms of Section 135 of the Companies Act, 2013 ('the Act') and the Rules framed thereunder, is annexed to this report (Annexure III).

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

Other than the ongoing impact of Covid-19 on the financials and operations of the Company during the year under review, there have been no material changes and commitments affecting the financial position of the company, which have occurred since 31st March 2021, being the end of the Financial Year of the Company to which financial statements relate and the date of the report.

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

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

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

### **21. INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY:**

The Company's internal financial control are commensurate with the nature of its business, the size, and complexity of its operations and such internal financial controls with reference to the Financial Statements are adequate. The controls were tested during the year and no reportable material weaknesses either in their design or operation were observed. To maintain independence and objectivity

## Board's Report

in its function, the Internal Auditor reports directly to the Audit Committee of the Board. The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which forms a part of this report.

The Company has put in place robust system and procedures, which inter alia, ensure integrity in conducting its business, safeguarding of its assets, timely preparation of reliable financial information, accuracy & completeness in maintaining accounting records and prevention & detection of frauds & errors.

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

Your Company is a non-deposit taking NBFC. The details of Loans 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.

### 23. DEPOSITS:

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

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

During the year under review, all related party transactions entered into by the Company, were placed before the Audit committee as well as Board for Approval. All RPT were at arm's length and in the ordinary course of business. Prior omnibus approval is obtained for related party transactions which are of foreseeable and repetitive nature, when ever required. The Company did not have any contracts or arrangements with related parties in terms of Section 188(1) of Companies Act 2013. Also, there were no material related party contracts entered into by the Company. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for FY 2020-2021 and hence does not form part of this report. Details of related party transactions entered into by the Company, in terms of Ind

AS-24 are disclosed in notes to the standalone/consolidated financial statements forming part of this Annual Report.

A statement giving details of all Related Party Transactions is placed before Audit Committee and the Board on a quarterly basis. Members may refer to the notes to the financial statements for period ending 31st March, 2021 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>

### 25. CORPORATE GOVERNANCE REPORT:

The Board of Directors of the Company ensure that the Company practices sound corporate governance and takes necessary actions at appropriate times for enhancing and meeting stakeholders' expectations while continuing to comply with the mandatory provisions of Corporate Governance. The Company considers it their inherent responsibility to disclose timely and accurate information regarding the operations and performance, leadership, and governance of the Company. In compliance with the provisions of Regulation 34 of the Listing Regulations read with Schedule V to the said Regulations, the Annual Report of the Company for the Financial Year 2020-2021 contains a separate section on Corporate Governance alongwith a Certificate from the Practicing Company Secretary, certifying compliance with conditions of Corporate Governance.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

### 26. PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORK PLACE:

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

The Company has adopted the group policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The Company has complied with the provisions relating to the constitution of the Internal Complaints Committee as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under

## Board's Report

review, the Company received NIL complaints of sexual harassment. The group sexual harassment policy is uploaded on the website of the company at [www.ashikagroup.com](http://www.ashikagroup.com) at the given link at <https://ashikagroup.com/pdf/policies/Group-Policy-on-Sexual-Harassment.pdf>.

### **27. COMPLIANCE WITH SECRETARIAL STANDARDS OF ICSI**

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

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

The Company is not required to maintain cost records as specified u/s 148(1) of the Companies Act, 2013 read with the applicable rules thereon for the FY 2020-2021. Hence the said clause is not applicable to the Company with respect to its nature of business.

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

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

### **30. 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 2021, 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 2021 and of the profit and loss of the company for that period;
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The directors had prepared the annual accounts on a going concern basis;
- e) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **31. ACKNOWLEDGEMENTS:**

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

For and on behalf of the Board of Directors

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

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

Place: Kolkata  
Date: 06.05.2021

## Board's Report

### Annexure I

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

- (i) The ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company for the financial year 2020-2021 and percentage increase in Remuneration of each Executive Director and Key Managerial Personnel (KMP) during the financial year 2020-2021

| Name of the Directors & KMP with Designation | % of Increase in Remuneration of Directors, KMP in FY 2020-2021 | Ratio of the remuneration of each director / KMP to median remuneration of the employee |
|--|---|---|
| Mr. Pawan Jain, Executive Chairman & WTD     | NIL   | -   |
| Mr. Daulat Jain, Managing Director & CEO     | NIL   | -   |
| Ms Anju Mundhra, Company Secretary           | NIL   | 2.70  |
| Mr Gaurav Jain, Chief Financial Officer      | NIL   | 2.72  |

Note:

- 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.
- Mr Pawan Jain and Mr Daulat Jain have waived their right to receive Directors' Remuneration for the FY 2020-2021. Mr Pawan Jain has taken ₹ 1/- as Remuneration for the FY 2020-2021.
- There has been structural changes in the components of remuneration package of Ms. Anju Mundhra, CS. Hence, there has been decrease of percentage and so not been shown above.
- Any effect of % or median is considered for those

who have been employed for the full FY and not for a part of the FY.

- There have been no changes in salary of employee during the FY and so there is no % increase in the median remuneration of Employees in the financial year.
- There were 10 permanent employees on the rolls of Company as on 31.03.2021.
- The average percentile change in the salaries of employees other than Managerial personnel in the last financial year is Nil and there has been no increase in the Managerial remuneration during the FY 2020-2021, So no justification is required.
- 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 2020-2021, were as per the Nomination & Remuneration Policy of the company.

For and on behalf of the Board of Directors

**(PAWAN JAIN)**

Chairman  
DIN: 00038076

**(DAULAT JAIN)**

Managing Director & CEO  
DIN: 00040088

Place: Kolkata  
Date: 06.05.2021



## Board's Report

**Annexure II**

**MR & Associates**  
**Company Secretaries**  
**46, B. B. Ganguly Street,**  
**Kolkata-700012**  
**Moblie No: 9831074332**  
**Email :goenkamohan@gmail.com**

**Form No. MR - 3**

### **SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[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, 2021 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, 2021 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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
      - (d) The Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 and other applicable regulations /guidelines/circulars as may be issued by SEBI from time to time.
- 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 (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
  - (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
  - (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

## Board's Report

- (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

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

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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and to the extent amended and notified from time to time.
- (ii) The Listing Agreements entered into by the Company with The Calcutta Stock Exchange Limited and Metropolitan Stock Exchange Limited. The Company's securities are permitted to be traded at BSE platform under "Permitted Securities Category".

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

### 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 due to COVID 19 pandemic, the Company had prepared / amended "Moratorium Policy – COVID 19" in accordance with RBI notification dated 27.03.2020 & 23.05.2020 for granting moratorium period from 01.03.2020 to 31.08.2020 to the borrowers on the all Installments of terms Loans.

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.

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

For **MR & Associates**  
Company Secretaries

**[M R Goenka]**

Partner

FCS No.:4515

C P No.:2551

Date : 06.05.2021

Place : Kolkata

UDIN : F004515C000251256

**Note :** Due to pandemic situation cause by COVID-19, few intimations made to Stock Exchanges and other regulatory authorities under relevant Acts, Regulations were within the extended period granted by such regulatory authorities.

## Board's Report

**MR & Associates**  
**Company Secretaries**  
**46, B. B. Ganguly Street,**  
**Kolkata-700012**  
**Moblie No: 9831074332**  
**Email :goenkamohan@gmail.com**

**"ANNEXURE – A"**  
(TO THE SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021)

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 **MR & Associates**  
*Company Secretaries*

**[M R Goenka]**

Partner

FCS No.:4515

C P No.:2551

Place : Kolkata

Date : 06.05.2021

UDIN : F004515C000251256

**Note :** Due to pandemic situation cause by COVID-19, few intimations made to Stock Exchanges and other regulatory authorities under relevant Acts, Regulations were within the extended period granted by such regulatory authorities.

## Board's Report

### Annexure III

#### FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES

##### 1. Brief outline on CSR Policy of the Company:

The Corporate Social Responsibility (CSR) Policy of Ashika Credit Capital Limited has been developed in accordance with Section 135 of Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014, as amended. The CSR vision of the Company is to build relationships of trust with local communities, society and stakeholders as good corporate citizen and to contribute towards developing a sustainable society for future generations. The CSR Policy, formulated in alignment with the vision of the Company, lays down guidelines and mechanisms to be adopted by the Company in order to carry out CSR Projects/ programs.

Further, Ministry of Corporate Affairs has amended the

##### 2. Composition of CSR Committee:

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

##### 3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company : <https://ashikagroup.com/pdf/policies/Corporate-Social-Responsibility-Policy-14.02.2021.pdf>

There are no ongoing CSR projects or projects approved by Board

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

N.A.

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

| Sl. No. | Financial Year | Amount available for set-off from preceding financial years (in ₹) | Amount required to be setoff for the financial year, if any (in ₹) |
|---------|----------------|--|--|
| 1       | 2020-2021      | NA   | Nil  |
|         | <b>TOTAL</b>   | <b>NA</b>  | <b>Nil</b>   |

##### 6. Average net profit of the company as per section 135(5): ₹ 393.89 lacs

##### 7. (a) Two percent of average net profit of the company as per section 135(5) ₹ 7.88 lacs

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

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

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 7.88 lacs



## Board's Report

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

| Total Amount Spent for the Financial Year. (in ₹) | Amount Unspent (in ₹)   |                  |   |        |                  |
|---|---|------------------|---|--------|------------------|
|   | Total Amount transferred to Unspent CSR Account as per section 135(6) |                  | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) |        |                  |
|   | Amount  | Date of transfer | Name of the Fund  | Amount | Date of transfer |
| 10 lacs   | N.A.  |                  | N.A.  |        |                  |

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

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

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

| Sl. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local area (Yes/No) | Location of the project |          | Amount spent for the project (in ₹). | Mode of Implementation - Direct (Yes/No) | Mode of Implementation - Through Implementing Agency |                         |
|---------|---------------------|---|---------------------|-------------------------|----------|--------------------------------------|--|--|-------------------------|
|         |                     |   |                     | State                   | District |                                      |  | Name   | CSR registration Number |
| 1       | Education           | Promoting education   | No                  | Maharashtra             | Mumbai   | 10 lacs                              | No                                       | JITO Administrative Training Foundation (JATF)       | N.A.                    |
|         | TOTAL               |   |                     |                         |          | 10 lacs                              |  |  |                         |

(d) Amount spent in Administrative Overheads:

Nil

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

Nil

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

₹10 lacs

(g) Excess amount for set off, if any

| Sl. No. | Particular  | Amount (in ₹) |
|---------|---|---------------|
| (i)     | Two percent of average net profit of the company as per section 135(5)                                      | 7.88 lacs     |
| (ii)    | Total amount spent for the Financial Year   | 10 lacs       |
| (iii)   | Excess amount spent for the financial year [(ii)-(i)]   | 2.12 lacs     |
| (iv)    | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil           |
| (v)     | Amount available for set off in succeeding financial years [(iii)-(iv)]                                     | 2.12 lacs     |

## Board's Report

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

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

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

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

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **(Asset-wise details)** N.A.
- (a) Date of creation or acquisition of the capital asset(s) N.A.
- (b) Amount of CSR spent for creation or acquisition of capital asset N.A.
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. N.A.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). N.A.
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). N.A.

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

**(Daulat Jain)**

Managing Director & CEO  
DIN: 00040088

**(Sonu Jain)**

Chairman, CSR Committee  
DIN: 07267279

Place: Kolkata  
Date: 06.05.2021

# Corporate Governance Report

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

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

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 long-lasting value for all stakeholders. Strong leadership and effective corporate governance practices have been the Company's hallmark inherited from its culture and ethos. At ACCL, it is imperative that our Company's affairs are managed in a fair and transparent manner.

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

## 2) BOARD OF DIRECTORS

The Board of Directors is the apex body that governs the overall functioning of the Company, comprising of a mix of Independent and Non Independent Directors, to maintain the Board's independence and separate its functions of governance and management. As on 31st March, 2021, the Board comprised five members, two of whom are Executive Directors, and three are Non-Executive Independent Director, including Woman Director as per applicable provisions of Acts, Rules and Regulations, made thereunder. The Board of the Company is diverse in terms of qualification, competence, skills and expertise which enable it to ensure long term value creation for all the stakeholders.

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 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 7 (Seven) listed entities and serves as an Independent Director of more than 7 (Seven) listed entities. None of the Directors is related to each other except Mr Pawan Jain and Mr Daulat Jain, being brothers and promoter directors. All the Directors have made necessary disclosures as on 31st March 2021 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 31st March, 2021, four Board Meetings were held, on 15<sup>th</sup> June, 2020, 10<sup>th</sup> August, 2020, 20<sup>th</sup> October, 2020 and 14<sup>th</sup> February, 2021. Further, Board also passed Resolution by Circulation as and when required. The maximum gap between two Board Meetings has exceeded the time limit of 120 days and accordingly the company has availed the extension granted by MCA, due to Covid pandemic. The composition and category of directors as on 31st March, 2021 is prescribed below:

## Corporate Governance Report

| Sl No | Name of Director & DIN               | Composition and Category                               | No. of directorship/committee position held in public Companies including ACCL |                           |          |                | Attendance at the meeting      |                   | No of shares held*                                      |
|-------|--------------------------------------|--|--|---------------------------|----------|----------------|--------------------------------|-------------------|---|
|       |                                      |  | Indian Public Ltd company @  | Name of Listed company    | Member # | Chair person # | No. of Board Meetings attended | Last AGM attended |   |
| 1     | Mr. Pawan Jain (DIN: 00038076)       | Promoter, Executive Chairman (Whole Time Director)     | 1  | Ashika Credit Capital Ltd | -        | -              | 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  | Ashika Credit Capital Ltd | -        | -              | 4                              | Y                 | 450000  |
| 3     | Mr. Sagar Jain (DIN: 00392422)       | Non Executive Independent Director                     | 2  | Ashika Credit Capital Ltd | 2        | 1              | 4                              | Y                 | Nil   |
| 4     | Ms. Suparna Sengupta (DIN: 07689952) | Non Executive Independent Director                     | 1  | Ashika Credit Capital Ltd | 2        | -              | 4                              | Y                 | Nil   |
| 5     | Ms. Sonu Jain (DIN: 07267279)        | Non Executive Independent Director                     | 4  | Ashika Credit Capital Ltd | 3        | 1              | 4                              | Y                 | Nil   |

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

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

None of the above directors are having directorship in any listed company except Ashika Credit Capital Ltd. Further none of the directors held any convertible instruments, warrants, during the financial year 2020-2021.

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

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

| Sl No | Name of Director     | Dates of Meeting & Attendance in meeting |            |            |  |
|-------|----------------------|--|------------|------------|--|
|       |                      | 15.06.2020                               | 10.08.2020 | 20.10.2020 | 14.02.2021 (Original meeting called on 28.01.2021 and was adjourned due to lack of quorum) |
| 1     | Mr. Pawan Jain       | √  | √          | √          | √  |
| 2     | Mr. Daulat Jain      | √  | √          | √          | √  |
| 3     | Mr. Sagar Jain       | √  | √          | √          | √  |
| 4     | Ms. Suparna Sengupta | √  | √          | √          | √  |
| 5     | Ms Sonu Jain         | √  | √          | √          | √  |

During the Financial Year 2020-2021, on account of Covid-19 restrictions throughout the world and social distancing norms, frequent lockdowns, majority of the Board and

Committee meetings of the Company were held through Video Conferencing (VC) mode. The Directors had given prior intimation to the Company Secretary of the Company for participation in the meetings through VC.



# Corporate Governance Report

## INDEPENDENT DIRECTORS:

In terms of the provisions of Section 149 of the Companies Act, 2013 and Rules framed thereunder, the Independent Directors of the Company are appointed for a period of five/ three years by the Members of the Company at the General Meetings.

A formal letter of appointment setting out the terms and conditions of appointment, roles and functions, responsibilities, duties, fees and remuneration, liabilities, resignation / removal, etc., as specified under Schedule IV to the Companies Act, 2013 has been issued to each of the Independent Directors post their appointment. The terms and conditions of such appointment of the Independent Directors are also made available on the website of the Company at [www.ashikagroup.com](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, Board confirms that the Independent Directors fulfill the conditions specified in the SEBI (LODR) Regulations, 2015 and are independent from the management.

## FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTOR

At the time of induction, the Company familiarizes the Independent Directors with industry outlook, business strategy, Company's operations, their roles & responsibilities, etc. Thereafter, the Independent Directors are provided with necessary documents, reports, internal policies and updates to familiarise them with the Company's business, policies, procedures and practices at various Meetings held during the year. During the year under review, the Company conducted Familiarization Programmes for the Independent Directors of the Company. The 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/1617269278.pdf](https://ashikagroup.com/pdf/familiarization_programme/1617269278.pdf).

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

The Board of directors of the Company comprise of eminent qualified professionals, who have significant amount of skills / expertise / competencies and thus make valuable contributions to the Board. 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 |
| Leadership  | Extended leadership experience, resulting in a practical understanding of organizations, processes, strategic planning, and risk management. Demonstrated strengths in developing talent, planning succession, and driving change and long-term growth  |
| Board Diversity   | Representation of gender, ethnic, geographic, cultural, or other perspectives that expand the Board's understanding of the needs and viewpoints of our customers, partners, employees, governments, and other stakeholders throughout India.  |
| Regulatory Compliance, Legal and Stakeholders relationship      | 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.   |
| Sustainability, and Environment                                 | Experience in leading the sustainability visions of organizations, to be able to integrate these into the strategy of the Company.  |

## Corporate Governance Report

|                               |  |
|-------------------------------|--|
| Risk Management and expertise | Experience in identifying and evaluating the significant risk exposures to the business strategy of the Company and assess the Management's actions to mitigate the strategic, legal and compliance, and operational risk exposures.   |
| Financial expertise           | Management of the finance function of an enterprise, resulting in proficiency in financial management, capital allocation, and financial reporting processes, or experience in actively supervising a principal financial officer, principal accounting officer, auditor or person performing similar functions. |
| Board service and governance  | Service on a public company board to develop insights about maintaining board and management accountability, protecting shareholder interests, and observing appropriate governance practices.   |

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 | Sustainability and Environment | Risk Management | Financial expertise | Board service and governance |
|------------------|-------------------------------|------------|-----------------|-------------|--------------------------------|-----------------|---------------------|------------------------------|
| Pawan Jain       | √                             | √          | √               | √           | √                              | √               | √                   | √                            |
| Daulat Jain      | √                             | √          | √               | √           | √                              | √               | √                   | √                            |
| Sagar Jain       | √                             | √          | √               | √           | √                              | √               | √                   | √                            |
| Sonu Jain        | √                             | √          | √               | √           | √                              | √               | √                   | √                            |
| Suparna Sengupta | -                             | √          | √               | -           | √                              | -               | √                   | √                            |

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

The company has a well defined Audit committee, comprising of 3 (three) Directors as members of the committee, all being Independent, non Executive

Directors as on 31st March 2021. The Company Secretary is the Secretary to the Committee. They possess sound knowledge on accounts, audit, finance, taxation, internal controls etc. The Audit Committee acts as an interface between the statutory and internal auditors and the Board of Directors. The Committee oversees the work carried out in the financial reporting process by the Management, the internal auditor, the statutory auditor and notes the processes and safeguards employed by each of them.

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

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommendation to the board for appointment, re-appointment, remuneration, terms of appointment of Auditor and if required, the replacement or removal of Auditors of the company.
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- Reviewing with management, performance of Statutory & Internal Auditor, adequacy of Internal Control System, scope of audit and note the observation of Auditors.
- Examination & review of the Annual financial statement, auditors' report with management before submission to board with particular reference to:

## Corporate Governance Report

- 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
  - Scrutiny of Inter corporate Loans & Investments.
  - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  - Discussion with internal auditors any significant findings and follow up there on.
  - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
  - To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
  - Approval of appointment/ removal including terms of remuneration of Chief Financial Officer. (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
  - To review the utilisation of loans and or/advances from/ investment by the holding company in the subsidiary, exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments.
  - The committee shall review the compliances in regard to the provisions of regulation 9 and 9A of SEBI (Prohibition of Insider Trading) Regulations 2015 on an annual basis or atleast once in a Financial year and verify that the system of internal control are adequate and are operating efficiently
- In addition, the Audit Committee also mandatorily reviews the following:
- Management discussion and analysis of financial condition and results of operations;
  - 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

## Corporate Governance Report

- To secure attendance of outsiders with relevant expertise, if it considers necessary

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

4 meetings of the Committee were held during the year ended 31<sup>st</sup> March, 2021. These meetings were held on 15<sup>th</sup> June, 2020, 10<sup>th</sup> August, 2020, 20<sup>th</sup> October, 2020 and 14<sup>th</sup> February, 2021. Due to ongoing Covid-19 pandemic, all meetings of the audit committee were held through VC. The requisite quorum was present for all the meetings. All decisions at the Audit Committee

meetings were taken unanimously. Further, the representatives of the Statutory Auditors, 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 |            |            |            |
|----------------------|--|---|------------|------------|------------|
|                      |  | 15.06.2020                                | 10.08.2020 | 20.10.2020 | 14.02.2021 |
| Mr. Sagar Jain       | Chairman, Non Executive Independent Director | Yes                                       | Yes        | Yes        | No         |
| Ms. Suparna Sengupta | Member, Non-Executive Independent Director   | Yes                                       | Yes        | Yes        | Yes        |
| Ms. Sonu Jain        | Member, Non-Executive Independent Director   | Yes                                       | Yes        | Yes        | Yes        |

### NOMINATION AND REMUNERATION COMMITTEE (NRC):

#### a) BRIEF DESCRIPTION AND TERMS OF REFERENCE:

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

The Nomination and Remuneration Committee comprises of 3 (three) Directors as members of the committee, all being Independent, non Executive Directors as on 31<sup>st</sup> March 2021. The Company Secretary is the Secretary to the Committee.

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, KMP and other employees
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of evaluation of independent directors.

- Identifying and assessing potential individuals in accordance with the Criteria laid down for appointment and re-appointment as Directors / Independent Directors on the Board and as Key Managerial Personnel / senior management and recommend to the Board their appointment and removal
- Formulate the criteria for performance evaluation of independent directors and the Board of directors.
- Devise a policy on Diversity of Board of Directors.
- Periodically reviewing the size and composition of the Board to ensure that the structure is commensurate with the requirement of the company
- The quorum for meeting of the NRC shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance
- NRC shall meet as and when required, provide that the NRC shall meet atleast once in a year.
- NRC shall recommend to the board, all remuneration, in whatever form, payable to senior management.
- NRC shall lay down a chart/matrix listing the core skills/ expertise/ competencies identified by the Board of Directors as required in the context of the company's business(es) and sectors for the Board

## Corporate Governance Report

to function effectively and those actually available with the Board.

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

2 meetings of the Committee were held during the year ended 31<sup>st</sup> March, 2021. These meetings were held

| Name of member       | Category – Directorship                      | Date of Meeting and Attendance in meeting |            |
|----------------------|--|---|------------|
|                      |  | 14.06.2020                                | 27.01.2021 |
| Mr. Sagar Jain       | Chairman, Non Executive Independent Director | Yes                                       | Yes        |
| Ms. Suparna Sengupta | Member, Non-Executive Independent Director   | Yes                                       | Yes        |
| Ms. Sonu Jain        | Member, Non-Executive Independent Director   | Yes                                       | Yes        |

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

The Annual Performance Evaluation for the year 2020-2021 of the Board, Individual Directors (including Managing Director/ Executive Director, Chairperson and Independent Director of the Company), Committees of the Board, Self Evaluation of Individual directors, excluding the director being evaluated and Peer-to-peer Evaluation has been conducted pursuant to the applicable provisions of Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Guidance Note issued by SEBI pertaining to Board evaluation process and also Guidance Note on Board Evaluation process issued by Institute of Company Secretaries of India (ICSI) dated August, 2020. Accordingly the existing Evaluation process was further modified & recommended by NRC committee and approved by Board on 20th October 2020.

The detailed process of Performance Evaluation has been explained in the Evaluation Kit sent to the Directors. Detailed questionnaires are given to each Director for assessment of Board, Committees, Independent Director, non Independent Director, Managing Director /Executive Director/Chairperson, Self Evaluation and Peer-peer Evaluation of Directors. After filling in the questionnaires, the directors return their duly filled questionnaires to the Chairman of Nomination and Remuneration Committee who, in turn, prepares a consolidated report alongwith average scoring based on parameters as specified in the questionnaires, represented by graph on the basis of data consolidated and analysed from his end. The Chairman has individual discussion with each director and record their feedback and comments for Evaluation. The report prepared by the Chairman of the

on 14<sup>th</sup> June, 2020 and 27<sup>h</sup> January, 2021. The requisite quorum was present for all the meetings. The name and category of Directors as Members and their attendance at the aforesaid NRC meeting is detailed below:

Nomination & Remuneration Committee are tabled at the respective meetings of the Independent Director and Nomination and Remuneration Committee and Board. Further, comments received from meetings of both Independent Directors & NRC are discussed in Board meeting along with other evaluation process to be duly carried out by Board i.e. Self Evaluation of Board, Committee, Independent and non independent directors. Further, on the basis of the report of performance evaluation, NRC to determine whether to extend or continue the terms of appointment/ re-appointment of Independent Director.

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

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

#### Meeting of Independent Directors

During the year under review, the Independent Directors met on January 27, 2021, inter alia to discuss:

- Evaluation of the performance of Non-Independent



## Corporate Governance Report

Directors and the Board of Directors as a whole;

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

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

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

Performance Evaluation of all directors has been carried out by NRC and discussed in their meeting held on 27<sup>th</sup> January, 2021. Further, Independent Directors have presented their report to the Board based on the evaluation conducted by them in their respective meeting held on 27<sup>th</sup> January 2021. The consolidated Evaluation Report of the Board, based on inputs received from the Directors and scores shared by chairman of NRC after collating from all members was discussed at the meeting of the Board held on 14<sup>th</sup> February 2021.

### 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 SRC comprises of 3 (three) Directors as members of the committee, all being Independent, non Executive Directors as on 31<sup>st</sup> March 2021. The Company Secretary is the Secretary to the Committee.

The SRC considers and resolves the grievances of our shareholders, debenture holders and other security holders, including complaints relating to non-receipt

of annual report, transfer and transmission of securities, non-receipt of dividends/interests, issue of new/duplicate certificates, general meetings and such other grievances as may be raised by the security holders from time to time.

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

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

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

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

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

1 meeting of the Committee dated 14<sup>th</sup> June, 2020 was held during the year ended 31<sup>st</sup> March, 2021. The requisite quorum was present for all the meetings. The name and category of Directors as Members and their attendance at the aforesaid SRC meeting is detailed below:

## Corporate Governance Report

| Name of member       | Category – Directorship                         | Date of Meeting and Attendance in meeting |
|----------------------|---|---|
|                      |   | 14.06.2020                                |
| Ms. Sonu Jain        | Chairperson, Non Executive Independent Director | Yes                                       |
| Mr. Sagar Jain       | Member, Non-Executive Independent Director      | Yes                                       |
| Ms. Suparna Sengupta | Member, Non-Executive Independent Director      | No  |

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   | 2020-2021 |
|---|-----------|
| Number of Shareholder's complaints at the beginning of the year     | Nil       |
| Number of Shareholder's Complaints received during the year         | Nil       |
| Number of complaints not solved to the satisfaction of shareholders | Nil       |
| Number of pending complaints at the end of the year                 | Nil       |

#### c) SEBI COMPLAINTS REDRESS SYSTEM (SCORES):

The Company has registered itself on SEBI Complaints Redressal System - 'SCORES' and endeavors to resolve all investor complaints received through SCORES. During the year 2020-2021, 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 31<sup>st</sup> March, 2021 and there were no requests for issue of duplicate certificates, etc., received from the shareholders of the Company for the Financial Year 2020-2021.

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR):

#### a) BRIEF DESCRIPTION AND TERMS OF REFERENCE:

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

The CSR Committee comprises of 3 (three) Directors as members of the committee, two independent directors and one executive director as its' member as on 31<sup>st</sup> March, 2021.

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

monitor from time to time the CSR activities and Policy of the Company.

Further, pursuant to notification of certain provisions in Companies (Amendment) Act, 2019 and Companies (Amendment) Act, 2020 pertaining to CSR, and introduction of Companies (Corporate Social Responsibility) Amendment Rules, 2021 w.e.f. 22<sup>nd</sup> January, 2021, the company has revised the terms of reference of the committee in its board meeting held on 14th February 2021. There stood revision in CSR policy as recommended by CSR committee in its meeting held on 4th February 2021 and approved by board in its subsequent meeting held on 14th February 2021.

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

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act 2013 from time to time ;
- To recommend the amount of expenditure to be incurred on the activities undertaken;
- To monitor the Corporate Social Responsibility Policy of the company from time to time.

## Corporate Governance Report

- The Corporate Social Responsibility Committee of the Board ('CSR Committee') is responsible for formulating and recommending to the Board an annual action plan, which shall include list of projects and programs to be undertaken within the purview of Schedule VII of the Companies Act, 2013, manner of execution of such projects, modalities of fund utilization, monitoring and reporting mechanism for the projects, and details of need and impact assessment, if any, for the projects to be undertaken.

| Name of member  | Category – Directorship                         | Date of Meeting and Attendance in meeting |            |
|-----------------|---|---|------------|
|                 |   | 14.08.2020                                | 04.02.2021 |
| Ms. Sonu Jain   | Chairperson, Non Executive Independent Director | Yes                                       | Yes        |
| Mr. Daulat Jain | Member, Executive Director                      | Yes                                       | Yes        |
| Mr. Sagar Jain  | Member, Non-Executive Independent Director      | 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/Nomination-and-Remuneration-Policy.pdf>.

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

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

The Non-Executive Directors of the Company are

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

Two meetings of the Committee were held on 14<sup>th</sup> August, 2020 and 4<sup>th</sup> February, 2021, during the year ended 31<sup>st</sup> March, 2021. The requisite quorum was present for all the meetings. The name and category of Directors as Members and their attendance at the aforesaid CSR meeting is detailed below:

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 and shareholders. No sitting fee is being paid to the Executive Directors.

Due to on-going Covid 19 pandemic and its overall effect on the Global economy, Your Executive Directors Mr Pawan Jain and Mr Daulat Jain had forgone their remuneration for the FY 2020-2021 from the company and Mr Pawan Jain has received only ₹ 1/- as remuneration.

## Corporate Governance Report

### REMUNERATION PAID TO DIRECTORS FOR THE FINANCIAL YEAR 2020-2021:

(Amount in ₹)

| Name                                    | Salary p.a. | Sitting fees | Total    | Number of shares held as on 31.03.2021 |
|---|-------------|--------------|----------|--|
| Mr Pawan Jain, Executive Chairman (WTD) | 1           | Nil          | 1        | 789000, as Karta of Pawan Jain HUF     |
| Mr Daulat Jain, MD & CEO                | Nil         | Nil          | Nil      | 450000                                 |
| Mr. Sagar Jain                          | NA          | 1,20,000     | 1,20,000 | Nil                                    |
| Ms. Suparna Sengupta                    | NA          | 1,15,000     | 1,15,000 | Nil                                    |
| Ms. Sonu Jain                           | NA          | 1,25,000     | 1,25,000 | Nil                                    |

No benefits, other than the above, are given to the Directors. No Performance linked incentives and severance fees are given to Directors. The appointments of executive directors are governed by terms and

conditions and as per agreements executed at the time of appointment/ re-appointment. Further, 30 days notice period is applicable. The Company does not have any Stock Options' Scheme for its Directors or employees, presently.

### (5) GENERAL BODY MEETINGS:

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

| Date and Day                  | Venue  | Time       | Number of Special resolutions passed |
|-------------------------------|--|------------|--------------------------------------|
| 5th September, 2020, Saturday | Meeting held through Video Conferencing at Registered office of the Company at Trinity, 7th Floor, 226/1, A.J.C. Bose Road, Kolkata 700020 | 11:30 A.M. | Nil                                  |
| 9th August, 2019, Friday      | Bharatiya Bhasha Parishad, 4th Floor, 36A, Shakespeare Sarani, Theatre Road, Kolkata – 700017  | 11:00 A.M. | 5 (Five)                             |
| 1st September, 2018, Saturday | Kala Kunj, 48, Shakespeare Sarani, Kolkata- 700017   | 10:30 A.M. | 2 (Two)                              |

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) No Special Resolution was passed by the Company last year (2019-2020) through Postal Ballot. Further, none of the businesses proposed to be transacted at the ensuing AGM require passing a Special Resolution through Postal Ballot.

### (6) MEANS OF COMMUNICATION:

a) Financial Results:

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

However, in view of the outbreak of COVID-19 pandemic towards the last quarter of FY 2019-2020 and owing to the difficulties involved in dispatching of physical copies of Annual Report, the Ministry of Corporate

Affairs ("MCA") has vide its circular no 20/2020 dated 5th May 2020 directed the Companies to send the Annual Report only by e-mail to all the Members of the Company. Therefore, the Annual Report for FY 2019-20 and Notice of 27th AGM of the Company has been sent to the Members at their registered e-mail addresses in accordance with MCA and SEBI Circulars.

Further, Ministry of Corporate Affairs vide General Circular No. 02/2021 dated 13<sup>th</sup> January, 2021 has decided to allow Companies whose AGM was due in 2021 to conduct their AGM on/before 31<sup>st</sup> December, 2021, through Video Conferencing (VC) or Other Audio Visual Means (OAVM) in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular no. 20/2020. In lieu of the same, Board has decided to convene the 28<sup>th</sup> AGM of the Company through VC/OAVM keeping in mind the Covid-19 restrictions and social distancing norms.

Quarterly, half-yearly and yearly financial results of the Company are published as per the requirements of Regulation 33 & 47 of the Listing Regulations, in leading newspapers i.e., Financial Express (all editions)/ Business

## Corporate Governance Report

Standard (all editions) and Arthik Lipi (Kolkata edition). The financial results, and other reports/intimations required under the Listing Regulations, are filed with BSE Limited (BSE), Metropolitan Stock exchange of India Limited (MSEI) and The Calcutta Stock Exchange Limited. (CSE) and also uploaded on the Company's website- [www.ashikagroup.com](http://www.ashikagroup.com).

The Company discloses to the Stock Exchanges, information required to be disclosed under Regulation 30 read with Part A of Schedule III of the Listing Regulations, including material information which have a bearing on the performance/operations of the Company or which is price sensitive in nature and accordingly intimated/uploaded with exchanges.

b) Website :

The Company has its functional website, [www.ashikagroup.com](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 under "Investor Relations". Company's policies are also updated on the website of the company.

c) News press releases:

During the financial year under review, there were no such news releases.

d) The presentations made to institutional investors

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            |

f) Listing Fees to Stock Exchanges :

The Annual Listing Fees for the 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

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 28<sup>th</sup> Annual General Meeting (AGM).

The Company is conducting its' 28<sup>th</sup> AGM for the financial year 2020-2021 pursuant to General Circular No. 02/2021 dated 13<sup>th</sup> January, 2021 and in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular no. 20/2020. As 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 :

1<sup>st</sup> April 2020 to 31st March 2021

c) Date of book closure :

As mentioned in the notice calling the 28<sup>th</sup> AGM

d) Dividend payment date :

No Dividend has being recommended by Board of Directors for this FY

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](http://www.ashikagroup.com)

Email: [secretarial@ashikagroup.com](mailto:secretarial@ashikagroup.com)

i) Branch office address :

7, B.B. Ganguly Street 4<sup>th</sup> Floor, Kolkata – 700012

Email : [secretarial@ashikagroup.com](mailto:secretarial@ashikagroup.com)



## Corporate Governance Report

- j) Corporate office address  
 1008, Raheja Centre, 10<sup>th</sup> floor  
 214, Nariman Point, Mumbai - 400021  
 Tel: (022) 661111700

k) Market Price Data

The high / low market prices of the shares during the financial year 2020-2021 at the exchanges were as under:-

| Month           | CSE  |     | MSEI |     | BSE (traded under permitted category) |       |
|-----------------|------|-----|------|-----|---------------------------------------|-------|
|                 | High | Low | High | Low | High                                  | Low   |
| April, 2020     | -    | -   | -    | -   | 21.70                                 | 15.65 |
| May, 2020       | -    | -   | -    | -   | 19.95                                 | 13.85 |
| June, 2020      | -    | -   | -    | -   | 25.65                                 | 16.50 |
| July, 2020      | -    | -   | -    | -   | 21.15                                 | 17.05 |
| August, 2020    | -    | -   | -    | -   | 21.45                                 | 14.65 |
| September, 2020 | -    | -   | -    | -   | 24.40                                 | 17.35 |
| October, 2020   | -    | -   | -    | -   | 24.45                                 | 16.30 |
| November, 2020  | -    | -   | -    | -   | 27.00                                 | 20.10 |
| December, 2020  | -    | -   | -    | -   | 35.70                                 | 22.00 |
| January, 2021   | -    | -   | -    | -   | 33.80                                 | 25.60 |
| February, 2021  | -    | -   | -    | -   | 38.50                                 | 30.05 |
| March, 2021     | -    | -   | -    | -   | 47.00                                 | 32.05 |

Note: During the financial year ended 31<sup>st</sup> March, 2021, there was no trading in the equity shares of the Company at CSE & MSEI.

- l) Registrar and Transfer Agents (RTA) : Maheshwari Datamatics Private Limited is the Registrar and Transfer Agent of the Company, who manage the entire share registry work, both Physical and Electronic.

Maheshwari Datamatics Pvt Ltd  
 23, R.N.Mukherjee Road, 5th Floor,  
 Kolkata – 700001.  
 Tel: 033-22482248, 2243-5029  
 Fax no: 033-22484787  
 Email: mdpldc@yahoo.com.

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



- n) Share transfer system :

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

Pursuant to the provisions of Regulation 40 of the SEBI (LODR) Regulations, 2015, securities can be transferred only in dematerialized form w.e.f. 1st April 2019, except in case of request received for transmission or transposition of securities. Further, SEBI has fixed 31<sup>st</sup> March, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. 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 Company obtains half-yearly certificate from MR & Associates, Company Secretaries in Practice confirming the issue of share certificates for transfer, sub-division, consolidation etc., and submits a copy thereof to the Stock Exchanges in terms of Regulation 40(9) of the Listing Regulations. Further, the Compliance Certificate under Regulation 7(3) of the Listing Regulations confirming that all activities in relation to both physical

## Corporate Governance Report

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

Further, the Board has formulated a committee named Share Transfer committee and delegated the powers of share operations to the Committee. The committee 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 31<sup>st</sup> March, 2021.

### Nomination facility for shareholding

As per the provisions of Section 72 of the Act, facility for making nomination is available for the members in respect of shares held by them. Members holding shares in physical form may obtain a nomination form (Form SH-13), from the Company's RTA or download the same from the Company's website. Members holding shares in dematerialised form should contact

their Depository Participants (DP) in this regard.

### Permanent Account Number

Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN Card of the transferor(s), transferee(s), surviving joint holders/legal heirs be submitted to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.

### o) Dematerialisation of Shares and Liquidity

The Company's shares are available for dematerialization/re-materialization with both the Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31st March 2021, out of the total 1,18,80,000 equity shares, 11,764,743 equity shares representing 99.03% of the total paid up share capital were held in dematerialized form with NSDL and CDSL. The balance 0.97% paid-up share capital representing 1,15,257 Equity Shares is held in physical mode. The entire Promoters' shareholding of 52,40,408 Equity Shares, representing 44.11% 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                 | 424                                 | 3769513          |
| CDSL                 | 631                                 | 7995230          |
| PHYSICAL             | 28                                  | 115257           |
| <b>TOTAL</b>         | <b>1083</b>                         | <b>11880000</b>  |

### p) Unpaid/ Unclaimed Dividend

Company had announced dividend @ Re.1/- per share at its' 26<sup>th</sup> Annual General Meeting held on 9<sup>th</sup> August, 2019. In terms of Section 124 of Companies Act 2013 read with the relevant rules made thereunder, and notifications issued by Regulatory Authorities from time to time, the Company is required to transfer the total unpaid/ unclaimed dividend/ shares lying in its' account to a special account created by the Company known as Unpaid Dividend Account within a period

of 7 days from the date of expiry of 30 days after declaration of dividend. Before transferring the unpaid/ unclaimed dividend amounts/ shares to the Unpaid Dividend Account, individual letters are sent to those members whose dividends are due to be claimed to enable them to claim the dividends/ shares before the due date for such transfer to the Unpaid account. The information on unclaimed dividend is also posted on the Company's website at [www.ashikagropup.com](http://www.ashikagropup.com)

The amount(s) of dividends mentioned above are lying in the unpaid account as follows:

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

## Corporate Governance Report

Further, on the expiry of said seven (7) consecutive years from the date of transfer of dividend/ shares to unpaid dividend account, the Company shall transfer

the entire unclaimed accounts to the IEPF Account established by the Central Government.

q) Category-wise shareholding pattern as on 31<sup>st</sup> March, 2021

| Sl. No | Category   | No. of shares   | % holding  |
|--------|--|-----------------|------------|
| 1      | Promoter & promoter Group                        | 5240408         | 44.1112    |
| 2      | Institution- Foreign Portfolio Investors- Public | 100000          | 0.8418     |
| 3      | Non-Institution- Body Corporate- Public          | 2772594         | 23.3383    |
| 4      | Non-Institution- Individual- Public              | 3752444         | 31.5862    |
| 5      | Clearing member                                  | 14359           | 0.1209     |
| 6      | Non Resident Individual                          | 195             | 0.0016     |
|        | <b>Total</b>                                     | <b>11880000</b> | <b>100</b> |

r) Distribution of Shareholding as on 31<sup>st</sup> March, 2021

| Slab of shareholding | Number of Shareholders | Number of Shares | % to total no of shares |
|----------------------|------------------------|------------------|-------------------------|
| Upto 500 shares      | 772                    | 27133            | 0.2284                  |
| 501-1000 shares      | 23                     | 17879            | 0.1505                  |
| 1001-2000 shares     | 33                     | 58615            | 0.4934                  |
| 2001-3000 shares     | 7                      | 19699            | 0.1658                  |
| 3001-4000 shares     | 8                      | 29867            | 0.2514                  |
| 4001-5000 shares     | 9                      | 42861            | 0.3608                  |
| 5001-10000 shares    | 23                     | 193431           | 1.6282                  |
| Above 10000 shares   | 93                     | 11490515         | 96.7215                 |
| <b>Total</b>         | <b>968</b>             | <b>11880000</b>  | <b>100.0000</b>         |

s) Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity : NIL, as on 31<sup>st</sup> March, 2021

t) Commodity price risk or foreign exchange risk and hedging activities : None

u) Plant locations : None

v) Address for correspondence :

Ms. Anju Mundhra  
 Secretarial Department  
 Trinity, 7<sup>th</sup> floor, 226/1, A.J.C. Bose Road,  
 Kolkata – 700 020.  
 Tel No. (033) 40102500, Fax No. (033) 40102543  
 Email : [anjulohia@ashikagroup.com](mailto:anjulohia@ashikagroup.com)  
[secretarial@ashikagroup.com](mailto:secretarial@ashikagroup.com)

w) Email id of grievances redressal division :  
[investorservices@ashikagroup.com](mailto:investorservices@ashikagroup.com)

x) List of all credit ratings obtained by the Company along with any revisions thereto during the relevant financial year, for all debt instruments of the Company or any fixed deposit programme or any scheme or proposal of the company involving mobilization of funds, whether in India or abroad :  
 Nil

### (8) OTHER DISCLOSURES:

#### (a) Related Party Transactions:

All transactions entered into with related parties as defined under the Act, and Regulation 23 of the Listing Regulations, each as amended, during the year under review were on an arm's length price basis and in the ordinary course of business. These have been prior approved by the Audit Committee. During the year under review, the Company has not entered into any materially significant related party transaction. The Board of Directors has approved and adopted a Policy on Materiality of Related Party Transactions and the same is updated from time to time. The Policy is available on the Company's website <https://ashikagroup.com/pdf/policies/ACCL-RPT-Policy.pdf>. During the Financial Year 2020-2021, the Company did not have any material pecuniary relationship or transactions with Non-Executive Directors apart from paying sitting fees to Director's. Further, the Directors have not entered into any contracts with the Company, which will be in material conflict with the interest of the Company.

#### (b) Details of non compliances/ penalties/ strictures imposed on the Company by stock exchange or

## Corporate Governance Report

### any other regulatory authority etc during the last three years:

Your company, on 5<sup>th</sup> 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 adopted a Whistle Blower Policy to provide vigil mechanism for Directors/Employees to voice their concerns in a responsible and effective manner regarding unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct and Insider Trading Regulations. It also provides adequate safeguards against victimization of Directors/Employees who avail the mechanism. The Company affirms that during FY 2020-2021, no personnel have been denied access to the Audit Committee. The Whistle Blower Policy is available on the website of the Company at <https://ashikagroup.com/pdf/policies/ACCL-Vigil-Mechanism-Policy.pdf>.

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

As on financial year ended 31st March, 2021, 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.

| Sl. no | Particulars                                      | Amount (₹ in lacs) |
|--------|--|--------------------|
| 1      | As Auditor - Statutory Audit and Limited Reviews | 8.26               |
| 2      | For Other Services (Certification, etc.)         | 1.48               |
| 3      | Tax Audit  | 1.77               |
| 4      | For Reimbursement of Expenses                    | 0.53               |

Further, the company has not availed any services during the Financial Year 2020-2021 from entities in network firm/network entity of which the statutory auditor is a part.

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

The Company does not have any commodity price risks and commodity hedging activities. Hence, the same is not applicable to the company as on 31st March, 2021

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

Nil

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

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

### (h) During the F.Y. 2020-2021, there have been no instances where the Board of Directors of the Company has not accepted the recommendation of the committee of the Board, wherever required.

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

During the financial year 2020-2021, 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. 2020-2021 as tabled below:

| Sl. no | Particulars                                      | Amount (₹ in lacs) |
|--------|--|--------------------|
| 1      | As Auditor - Statutory Audit and Limited Reviews | 8.26               |
| 2      | For Other Services (Certification, etc.)         | 1.48               |
| 3      | Tax Audit  | 1.77               |
| 4      | For Reimbursement of Expenses                    | 0.53               |

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

In terms of the provisions of Sexual Harassment of



## Corporate Governance Report

Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, the

number of complaints received during the financial year 2020-2021 along with their status of redressal as on financial year ended 31<sup>st</sup> March, 2021 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.

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

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

- The Board: Currently, the Company does not have a non-executive chairman, so this clause is not applicable to the Company.
- Shareholder Rights: The quarterly and half yearly financial results are published in the newspapers having wide circulation and sent to stock changes and uploaded on the website of the company. The Company does not consider it prudent to circulate the same separately to the Shareholders of the Company.
- Modified opinion(s) in audit report: The audit report of the Company's Financial Statements for the year ended 31<sup>st</sup> March, 2021 is unmodified.
- Reporting of Internal Auditor: The Internal Auditor or his representative is a permanent invitee to the Audit Committee meeting. The Chief Internal Auditor reports directly to the Audit Committee.

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

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

necessary disclosures thereof have been provided in this Corporate Governance Report.

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

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

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

### (13) CEO/ CFO Certification:

The CEO-cum-Managing Director and CFO of the Company have certified to the Board of Directors, inter alia, the accuracy of financial statements and adequacy of internal controls for the purpose of financial reporting as required under Regulation 17(8) of the SEBI (LODR) Regulations, 2015 for the year ended 31<sup>st</sup> March 2021.

### (14) Corporate Governance Compliance

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

### (15) Reconciliation of Share Capital Audit Report

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

## Corporate Governance Report

on Reconciliation of Share Capital has been submitted with stock exchange quarterly within prescribed time and also updated on the website of the company [www.ashikagroup.com](http://www.ashikagroup.com).

### (16) Prevention of Insider Trading:

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

Pursuant to the above, the Company has put in place adequate and effective system of internal controls to ensure compliance with the requirements of

the Prohibition of Insider Trading Regulations. The Company has also adopted the Policy for determination of Legitimate Purposes and Policy for Inquiry in case of leak or suspected leak of unpublished price sensitive information in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

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

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

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

(17) None of shares of the company are lying in the demat suspense account or unclaimed suspense account.

For and on behalf of the Board of Directors

**(PAWAN JAIN)**

*Chairman*

DIN: 00038076

**(DAULAT JAIN)**

*Managing Director & CEO*

DIN: 00040088

Place: Kolkata  
Date: 06.05.2021

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

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

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

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, 2021, as stipulated in Schedule V and other 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 **MR & Associates**  
Company Secretaries

**M R Goenka**  
Partner

FCS No: 4515  
C P No.: 2551

Place: Kolkata  
Date: 06.05.2021

---

**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, 2021, 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**

06.05.2021

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*

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

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI**  
**(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| Sr. No | Name of the Directors | DIN      | Date of Appointment in Company |
|--------|-----------------------|----------|--------------------------------|
| 1      | Mr. Pawan Jain        | 00038076 | 08/03/1994                     |
| 2      | Mr. Daulat Jain       | 00040088 | 14/01/2016                     |
| 3      | Mr. Sagar Jain        | 00392422 | 29/06/2001                     |
| 4      | Ms. Suparna Sengupta  | 07689952 | 14/02/2018                     |
| 5      | Ms. Sonu Jain         | 07267279 | 01/04/2019                     |

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **MR & Associates**  
Company Secretaries

**[M R Goenka]**  
Partner

Place: Kolkata  
Date: 27.04.2021

FCS No. :4515  
C P No. :2551  
UDIN: F004515C000252202



# Management Discussion and Analysis Report

## ECONOMIC SCENARIO

### GLOBAL ECONOMIC OVERVIEW

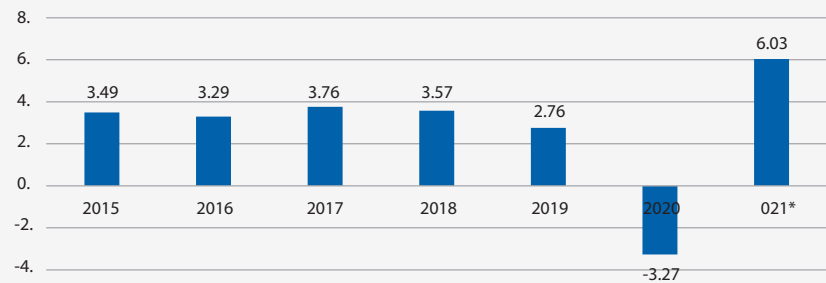
Covid-19 which induced global havoc and severe loss of life, is inclining masses into dangerous poverty levels, and is probably going to perpetrate long-lasting scars that push activity and income well below their pre-pandemic trend for a prolonged period. Although globally trade and

industry activity is growing again, it is not likely to return to business as usual for the foreseeable future.

Following the initial rebound in mid-2020, the global economic recovery has slowed, whereas activity and trade in the goods sector have improved, the services sector remains weak. Most commodity prices have rebounded from their Q1 and Q2 2020 lows as strict lockdowns have started being lifted and demand firmed amid supply side pressures.

Global GDP growth is projected to be 6% in 2021 and 4.4% in 2022, with global output rising above the pre-pandemic level by mid-2021. Advanced economies are projected to grow at a pace of 5.1% and emerging & developing economies by 6.7%, through proper pandemic management, effective vaccination rollouts and continued monetary policy accommodation.

**GDP growth compared to previous year**



(Source: IMF, CNBC, Statista)

### OUTLOOK

By the end of 2021 or early 2022, we expect the global economy to revert to its pre-pandemic level of output. However, this picture masks an uneven pattern. At one end of the spectrum is the Chinese economy, which is already bigger compared to its pre-pandemic size and on the other end are mostly advanced economies which are either service-based (UK, France, Spain) or more focused on exporting capital goods (Germany,

# Management Discussion and Analysis Report

Japan) and are unlikely to recover to their pre-crisis levels by the end of the year. In these economies, growing but lower levels of output are projected to

lead to push up unemployment rates. Governments of various countries are expected to focus gradually from fighting the COVID-19 virus to dealing

with higher unemployment rates by upskilling their workforce and creating jobs in newly emerging labour-intensive sectors.

**Push for green infrastructure:** During 2021 it is also expected that the three main economies or trading blocs of the world — the US, the European Union (EU) and China — will refocus their efforts to fighting climate change.

**Massive gain in Italy's GDP:** The GDP of Italy is also expected to reach 2 trillion level, re-joining 7 other nations including US, China, Germany and India.

**Exceeding public debt:** G7 public debt is projected to increase by around USD 4 trillion in 2021, which is significantly lower than the USD 7 trillion increase recorded last year. In relative terms, this translates to a public debt level of around 140% of G7 GDP, reflecting the level of support workers and businesses continue to require as we gradually exit the health emergency.

**Issuance of green bonds:** Regional efforts to curb carbon emissions (EU Green New Deal) as well as international agreements (e.g. Paris Accord) require vast sums of investment in green infrastructure in the coming decades. Green bonds, which are used to directly finance environmental projects, currently make up less than 5% of the global fixed income market. In 2021 we expect total green bond issuance will top half a trillion US dollars for the first time.

**Oil pricing:** Even though oil prices have lately recovered from the lows in 2020, we think that they will continue to remain relatively subdued. Barring any shocks or geopolitical developments in the Middle East, demand for oil, particularly from the Northern Hemisphere economies, is likely to remain subdued. It is more likely to increase in the second half of 2021 as the COVID-19 vaccine becomes more widespread and economic activity accelerates.

**Green electricity generation:** Despite fossil fuels being the dominant source of electricity generation we continue to expect that solar PV (Solar Photovoltaics) capacity will grow at rapid rates on the back of growing capacity in the EU, India and China. If current trends continue, solar PV capacity is on course to surpass natural gas in 2023 and coal in 2024 in the global electricity sector.

## INDIAN ECONOMIC REVIEW

When humanity was preparing for personal, financial, corporate and social goals in the midst of an unbelievable global tsunami in the form of Covid-19. In less than 3 months of new year the World Health Organisation (WHO) declared the outbreak of Covid-19 as a pandemic which made the world

country. This lockdown was a much needed strategy to save lives, and preserve livelihoods and best case for economic recovery in the medium to long-term. This strategy not only flattened the curve but also pushed the peak to September, 2020 and after the peak, the country started experiencing decline in daily cases backed by a solid broad based V-shaped recovery, owing

(FY 22). For the fiscal year 2020-21, GDP contraction is estimated at 8% as against growth of 4% during FY 2019-20.

## OUTLOOK

Although COVID-19 created havoc in the domestic economy, but after various phases of unlocking it has registered a V-shaped recovery due to robust pent-up demand, recovery in the services, a growth in consumption and investment across various sectors and mega vaccination drive conducted by both central and state governments which will hold the key towards opening of the economy. This V-shaped economic recovery is also a resultant of many other high frequency indicators which includes high power demand, increase in rail freight and e-way bills, a higher GST collection, resurgence in demand for steel, etc. These trajectories of a V-shaped economic recovery indicates

### Y-o-Y GDP growth rate

| Particulars                | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21* | 2022-23* |
|----------------------------|---------|---------|---------|---------|----------|----------|
| <b>Real GDP Growth (%)</b> | 8.26    | 6.8     | 6.53    | 4.04    | (7.97)   | 12.55    |

\*Estimated (Source: statista.com)

come down to a standstill. From 3rd week of March 2020, the government focused on saving lives and livelihoods by its willingness to take short-term pain for long-term gain, at the onset of the COVID-19 pandemic thereby inducing a national lockdown in our

to larger public stimulus spends, the revival of consumer confidence, robust financial markets and an uptick in manufacturing activity.

India's GDP (Gross Domestic Product) growth is expected to be in the range of 7.5% to 12.55% during FY 2021-22

## Management Discussion and Analysis Report

the country's boldness in taking short-term pains for long-term gains.

**Ease of doing business:** As per World Bank's ease of doing business 2020 report, India moved 14 place and was ranked at 63rd position amongst 190 nations led by sustainable economic reforms attracting foreign investments. India was placed in the world's top 10 most improved countries for the third consecutive time.

**Foreign Exchange Reserves:** The country's foreign exchange reserves surged to USD 576.98 billion in 2020-21 as compared to USD 477.80 billion in 2019-20, registering a jump of 20.76% on a y-o-y basis.

**Inflation:** India maintained its macroeconomic resilience by restricting the inflation in the 5-7% range for supporting growth.

Wholesale Price Index (WPI) and Consumer Price Index (CPI): WPI food inflation declined from 6.9% in 2019-20 to 4.2% in 2020-21 and WPI core inflation increased to 0.8% in 2020-21 as compared to (-)0.4% in 2019-20.

**Repo rate:** During 2020-21 Monetary Policy Committee reduced Repo Rate to 4.00% and Reverse Repo rate to 3.35%. This was done for mitigating COVID-19 impact on the economy while ensuring the inflation remains within the target range.

**Index of Industrial Production (IIP):** IIP growth remained in the negative territory for the second consecutive year since 1980-81. The IIP growth is expected to have contracted by (-)8.6% in 2020-21 as against (-)0.8% in 2019-20 marred by weak industrial output further aggravated by disruptive economy due to consecutive waves of COVID-19.

### Budget 2021 takeaways

|  |   |   |  |   |   |
|--|---|---|--|---|---|
| Recapitalization of Public Sector Banks (PSBs)   | Increased focus on Roads and Highways infrastructure spending   | Adequate Credit Flow to the Agriculture Sector  | Setting up of new gold exchanges and designating Securities and Exchange Board of India (SEBI) as the regulator  | Financial incentives to promote Digital Payment   | Asset Reconstruction / Management Company Formation (Bad Bank)  |
| A capital injection scheme of Rs.20,000 crores into PSBs has been announced by the Central Government. Deposit Insurance cover has also been raised from Rs.1 lakh to Rs.5 lakhs for bank customers last year. | Over 13,000 km length of roads, at Rs.3.3 lakh crores, by March 2022, awarding another 8,500 km and additional 11,000 km of national highway corridors. | Union Budget 2021's agricultural credit target has been bumped up to Rs.16.5 lakh crores in FY22. | SEBI is poised to become the sole regulator of the gold market in India and will be involved with opening new gold exchanges, creating credit lines and forming trade rules. | Digitalization has gathered steam in banking and NBFCs. A sum of Rs.1,500 crores has been outlayed to the digital payments industry and to businesses deploying such solutions. | The new budget has suggested the formation of an asset reconstruction and management company or "Bad Bank", that would act as an aggregator of all these kinds of loans and NPAs and would try to resolve them. Any financial institution that has been burdened with bad loans can sell its holdings at a market price to the Bad Bank, which will help the company clear its balance sheet. |

India showed gut and will to fight the COVID-19 pandemic and bring the economic recovery to pre-covid times through a unique four-pillar strategy of containment, fiscal, financial, and long-term structural reforms. Calibrated fiscal and monetary support was provided given the evolving economic situation, cushioning the vulnerable in the lockdown and boosting consumption and investment while unlocking, mindful of fiscal repercussions and entailing debt sustainability. A favourable monetary policy ensured abundant liquidity and immediate relief to debtors via temporary moratoria, while unclogging monetary policy transmission.

### NBFC SEGMENT IN INDIA

Non-Banking Finance Companies (NBFCs) are an important part of the

Indian financial system today. Over the years they have played an important role in the financial inclusion of a vast section of the population including Small and Medium Enterprises (SMEs) as well as from the economically underserved society. Through their extensive geographical reach, understanding the varied needs of the people with a very low turnaround time, they have been able to serve specific requirements of borrowers in a most timely and effective manner.

NBFC lenders have grown considerably in a span of last 10 years driven by regulatory reforms and risk associated with their business models. Of 9,600 non-bank lenders, 274 are classified as 'Systemically Important', 99 as HFCs and 82 as deposit taking NBFCs. NBFC lenders have financed over 10 crore customers till date deriving strength from their extensive footprint which is

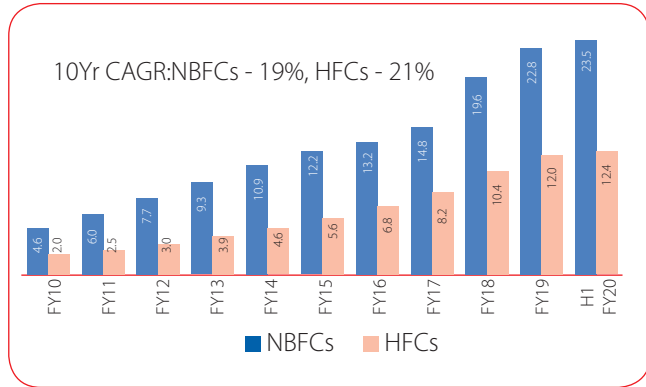
# Management Discussion and Analysis Report

largely located in rural and semi-urban areas. The overall credit deployed by non-bank lenders is over Rs.35.86

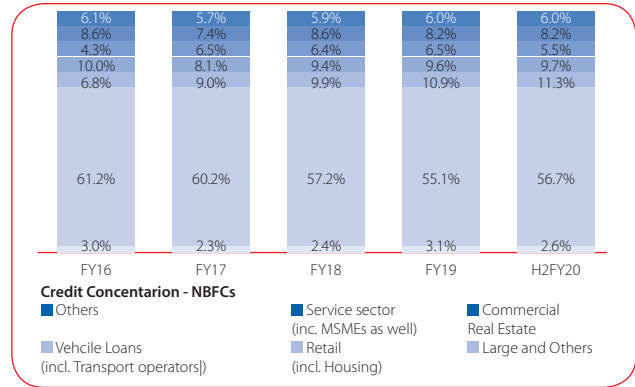
lakh crores (as on September 2020) compared to Rs.33.89 lakh crores (as on March 2020) and contributes to 25%

of the domestic credit in the system. Credit growth, during September and December quarters stood at 4.8% and 2.5% respectively.

(Source: The Hindu Businessline, FICCI, Business Today) (Source: FICCI)



**Trend in credit deployment by Non-Banking Lenders (INR Lakh Crores)**



**Credit concentration - NBFCs**

The domestic NBFC sector managed to grow at an impressive annualized rate of 19% over the last 10 years but this growth has been unstable given the cyclical slowdown in key product segments. Over the past two years, the non-banking finance sector came under stress due to multiple adverse events which impacted growth and profitability. COVID-19 has further amplified the stress in the system. Loan volumes for most of the non-bank lenders have come down considerably, particularly for lenders who are directly competing with banks and have limited pricing power. These lenders are preserving liquidity and in the process are shrinking their balance sheets.

Liquidity enhancing measures that helped the NBFC sector through the pandemic also led to favourable market conditions, reflected in the pick-up in debenture issuances. Mutual funds showed renewed interest in NBFC commercial papers, while banks' subscription of the same increased at a steady pace after Q1 FY21. On trends in long-term and short-term borrowing, it is suggested that over 70% of the NBFC borrowings

are payable after 12 months and their share has remained stable, indicative of the growing market discipline in the NBFC sector. Asset quality of NBFCs witnessed improvement in 2020-21 in the Q3 FY 21.

### NBFCs playing a big role in last mile financial inclusion

#### Penetrating underbanked areas and driving financial inclusion:

NBFC lenders play a key role in the distribution of financial services in underbanked areas. They target an audience of customers with limited banking access in urban and rural areas. On the contrary, banks face challenges in their outreach to customers in these areas. By the end of FY 2019-20 share of PSBs to 'New to Credit' stood at 7%, 14% and 18% in Tier 1 & 2, Tier 3 & 4, and Tier 5 & 6 regions in India. On the contrary, during FY 2019-20, share of NBFCs stood at 57%, 60% and 55% in Tier 1 & 2, Tier 3 & 4, and Tier 5 & 6 regions in India.

#### Complimenting credit distribution ability of banks:

NBFC companies are increasingly being recognized as complementary to the banking system and are capable of absorbing shocks

at times of financial distress. They collaborate with banks through various modes like securitization, on-lending, business correspondents etc. to help disseminate credit by underwriting small ticket loans to agriculture and MSMEs. These loans are eligible under priority sector lending (PSL) targets for banks and hence, many of the banks have tied with NBFCs to meet their PSL target obligations.

#### Driving innovation in the financial sector:

Non-bank lending sector evolved over the years to play a key role in fulfilling the financial needs in the retail and MSME segments. The earlier innovations revolved around business and operating models which have helped them establish their niche through their non-standard business models. As consumer preferences evolved and non-bank lenders faced stiff competitive and cost pressures, they have reinvented themselves. Consequently, the current phase of innovations revolves around quick disbursements, innovative product offerings and streamlined processes to provide seamless customer experience, lower acquisition costs or establish a framework to their non-standard business models.

# Management Discussion and Analysis Report

## OPPORTUNITIES AND THREATS

Credit accessibility in India remains comparatively lower against developed nations and other BRIC economies. This is evident from the credit to GDP ratio for India which stands at 58% compared to 150% and 205% in the US and China respectively. Additionally, mortgage to GDP ratio in India is low at 10%. This indicates significant opportunity to bridge the gap in credit penetration in India. As India aspires to be a US\$ 5 trillion economy, the NBFC sector is expected to play a larger role in the coming years with its ability to bridge the financing gap in sectors such as consumer, MSME, etc. (Source: BIS, World bank, IMF, EY)

### Growth drivers

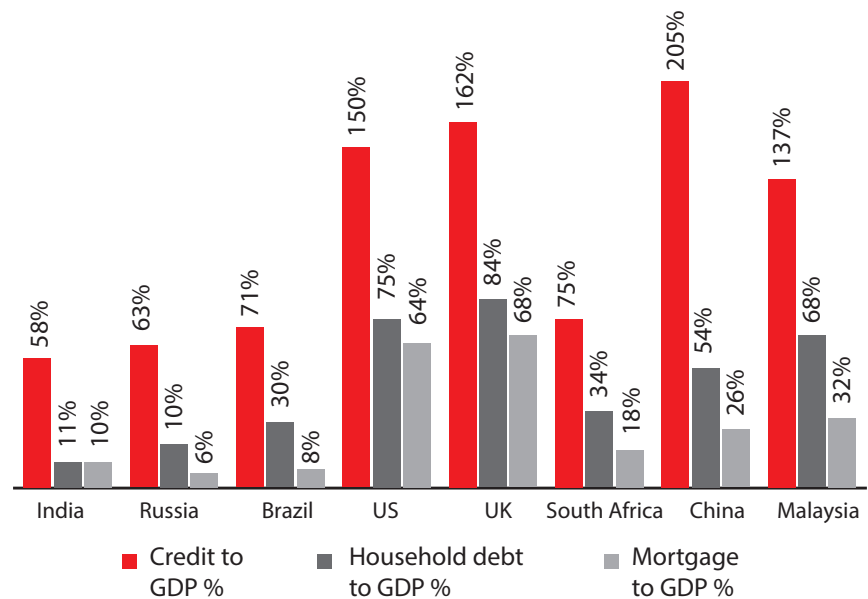
**Expected consumption growth:** India's per capita income is estimated to increase to US\$ 3,500 by 2024 from US\$ 2,100 in 2019. Movement of population to higher income categories will drive both consumption in the economy and associated credit need. Increased consumption is also expected to be aided by the spread of mobile usage and technology which is bridging credit access to customers.

**Favourable demographics:** With a working age population rising by 9.6 crore every year, it is expected to reach over 120 crores by 2031 (amongst the largest workforce). Thus, it would provide impetus for consumption and credit growth.

**Conducive policy framework:** The policy and reform measures taken by the government which includes GST, Make in India, FDI norms liberalization, Atmanirbhar Bharat package are expected to provide a conducive platform for growth in investments across sectors.

**Increased Urbanization:** India's urban population is poised to increase manifold. Population moving to urban centres is expected to spur credit demand.

**Increased Infrastructure build up:** The GOI's massive investment proposal of Rs.100 lakh crore worth



of investment in building modern infrastructure is expected to have a cascading effect on the economy. Increased money supply is expected to drive consumption demand especially in rural areas.

### Challenges

**Enhancing the compliance and risk management guidelines:** Supervision and regulation of non-bank lenders at an optimal level is an essential requirement for the overall financial growth of India. It is pertinent to note that the non-bank lenders in India have always been under regulatory regime, unlike other countries. The regulatory framework for non-bank lenders has been evolving from time to time to ensure prudent supervision and regulation but there may be a few unaddressed challenges faced by the sector which includes - Limited size-based differentiation in regulations among non-bank lenders; Limited focus on utilizing the respective strengths of banks and non-bank lenders; and Scope to tighten the overall supervisory and corporate governance framework specifically for large non-bank lenders.

**Rising bond yields and increasing credit risk spreads:** Liquidity squeeze and uncertainty in capital markets led to an increase in the cost of funds for the non-bank lending sector by 20 bps-45 bps since FY2018. Credit

spread between AA and AAA bonds of non-bank lenders rose sharply to as high as 80 bps from 40 bps-50 bps earlier. Despite a slew of measures announced by the RBI (partial guarantee scheme, CRR exemptions, push for co-origination/onward lending, etc), the bond market did not witness a meaningful contraction in spreads. While relatively large and better-placed non-bank lenders are gradually returning to capital markets (including CPs) and the risk spreads have normalized to pre-COVID levels, lower rated non-bank lenders are focussed on preserving liquidity.

**Disruption in the growth trajectory of most non-bank lenders:** Non-bank lenders gained scale over the last decade owing to declining cost of funds and niche product offerings. However, since FY19, non-bank lenders are increasingly challenged for growth on account of liquidity crisis in the sector. The key factors which exposed them to growth challenges include difficulty in rolling over existing debt and raising new debt due to liquidity squeeze. Slowdown in the credit dissemination by PSBs due to introduction of AQR by the RBI in 2015 and subsequent rise in stressed assets enabled non-bank lenders to increase market share. However, starting September 2017, as bond yields and market borrowing rates rose sharply, pricing power swung in favour



## Management Discussion and Analysis Report

of banks. Furthermore, starting FY18, increased focus of banks towards retail lending led by surplus liquidity helped them to fill the space vacated by the non-bank lenders and recouped their lost market share. Large banks continued to have an advantage over non-bank lenders on account of low cost of funds.

**MSME Finance:** MSMEs play a vital role in the growth of the Indian economy. The share of non-bank lenders in MSME lending increased from 7.9% in Dec 2015 to 12.5% in Dec 2019. Despite the tremendous potential the segment promises, share of non-bank lenders are plagued by a high gross NPA between 8.5% to 20% over the

### NBFC SEGMENT OUTLOOK

The Non-Banking Financial Company (NBFC) segment is expected to gain positive momentum in 2021-22 as the sector builds on the massive recovery efforts of the last few months. Overall loan disbursement and business have improved of late, with the same momentum expected to continue further. The growth of NBFC sector in India had been driven by higher than expected investment banking revenues and interest income. Overall, loan defaults have also reduced and are expected to drop further as the economy shows positive recovery. NBFC companies has also mobilised their on-ground recovery staff to ramp up their collection efforts.

NBFCs with a niche presence and strong pricing power are likely to witness margin expansion in 2021. NBFCs will bring down the liquidity on their balance sheet which in turn is expected to help in the margin expansion of the players in the segment. In the past two years, NBFCs increased liquidity on their balance sheet to over 10% which has now come down to an average of 3-4%. Many NBFCs still have nearly 20%. However, this is expected to reduce by 300-400bp in FY22 (Source: The Week).

last five years. Rs.5 lakh crores worth receivables outstanding for MSMEs from public sector undertakings, government and major industries. Despite this, short-term financing options which assist MSMEs in

receivables management have limited traction and till date 3,708 MSMEs registered with TReDs have financed Rs.6,669 crores worth of invoices.

(Source: FICCI)

*“NBFCs who are well prepared with their business continuity and contingency plan can quickly respond back to any challenges and slows down. A well-prepared organization can definitely bounce back, and NBFCs with proper planning can overcome the impact of this disruption.”*

NBFCs have managed asset-quality challenges in the past and their experiences will be useful in navigating the current milieu. As the domestic economy comes out of the scars of the COVID-19 pandemic and businesses again start regaining pre-covid levels, the requirement for credit is expected to rise consistently which would require the Banks and NBFCs to infuse free-flowing credit lines.

Ashika is well-equipped to build future growth. The Company foresees opportunity across the spectrum of its customers, out of which the corporate loan and retail opportunity is estimated to be the largest. Besides the asset quality, effective implementation of technology and cost optimization would remain the company's key focus areas for achieving profitable and sustainable growth.

### BUSINESS AND FINANCIAL OVERVIEW

Ashika Credit Capital Limited is a pure-play NBFC Company engaged in fund-based activities, including providing Loan and advances, inter corporate deposit, restructuring finance.

The Company has exhibited agility and reported a Profit after Tax (PAT) of Rs.163.49 Lacs in fiscal 2020-21 as compared to Rs.(253.93) Lacs in fiscal

2019-20. This performance was driven by multiple initiatives taken by the management to sustain growth as well as measures to optimise the bottom line, thereby driving profitability.

The disbursements in fiscal 2020-21 more or less remained flat to Rs.4893.28 Lacs due to management's focus more on recovery and lending to quality assets. Other income for the fiscal 2020-21 was 139.59% higher than fiscal 2019-20 mainly on account of recovery of certain bad debts.

Ashika's employee cost during fiscal 2020-21 decreased substantially by 70.44% as compared with fiscal 2019-20. This was mainly on account of the Executive Director's decision to forego their salary for the fiscal 2020-21. The interest expenses of the Company remained zero and today Ashika remains a debt free Company.

Several initiatives were undertaken during the year to further improve portfolio quality and contain delinquency within manageable limits: changes in mix of customer categories, strict compliance with credit processes, strict internal control mechanism, amongst many. These initiatives are going to bring long-term benefits for the Company in the years down the line.

# Management Discussion and Analysis Report

(Amount in ₹ Lacs)

| Particulars                    | Year ended<br>31st March, 2021 | Year ended<br>31st March, 2020 |
|--------------------------------|--------------------------------|--------------------------------|
| Revenue from Operations        | 652.12                         | 710.57                         |
| PBDIT                          | 437.16                         | (351.74)                       |
| Interest and Financial Charges | -                              | -                              |
| Cash Profit                    | 247.34                         | (351.74)                       |
| Tax expenses                   | 83.85                          | (97.81)                        |
| Net Profit                     | 163.49                         | (253.93)                       |

**Details of significant changes (i.e. change of %25 or more as compared to the immediately previous financial year) in Key Financial Ratios, alongwith detailed explanations thereof including:**

| Ratios                      | 2020-21 | 2019-20 | % Change | Reason (if more than 25% change)                          |
|-----------------------------|---------|---------|----------|---|
| Debtors Turnover            | -       | -       | -        | NA  |
| Inventory Turnover          | -       | -       | -        | NA  |
| Interest Coverage Ratio     | -       | -       | -        | NA  |
| Current ratio (times):      | 51.02   | 43.50   | 7.52     | NA  |
| Debt Equity Ratio           | -       | -       | -        | NA  |
| Operating Profit Margin (%) | 37.93   | -49.50  | 87.43    | Company reported profit compared to loss in previous year |
| Net Profit Margin (%)       | 25.07   | -35.74  | 60.81    |   |
| Return in Net Worth (%)     | 3.53    | -5.21   | 8.74     |   |

“ How we manage **risks** at Ashika ”

## RISK MANAGEMENT

A company in its normal course of working takes on many risks. For a Non-Banking Finance Company the risks that are most important are operational risk, credit risk, regulatory risk, liquidity risk, competition risk and employee risk. The identification, monitoring and mitigation of these risks are integral to the success of the company.

Risk Management at Ashika broadly covers the above risk. Added we have also laid focus on the Pandemic Risk. The risk management framework is based on a meticulous assessment of risks through proper analysis and understanding of the underlying risks before undertaking any transactions and changing or implementing processes and systems. This risk management mechanism is supported by regular review, control, self-assessments and monitoring of key risk indicators.







## Industry risk



The Company is exposed to various external risks which have a bearing on its sustainability and profitability. The volatile macroeconomic scenario and sector-specific imbalances result in loan asset impairment.

**Mitigation:** Our dedicated team evaluates the trends in the economy and various other sectors. The Company possess an experience of more than 2 decades in the NBFC sector coupled with its customer reach enables it to sustain growth even in difficult financial conditions.

# Management Discussion and Analysis Report

|  |   |  |
|--|---|--|
| <p><b>Operational Risk</b></p>    | <p>Operational risks can result from a variety of factors, including failure to obtain proper internal authorizations, improperly documented transactions, failure of operational and information security procedures, computer systems, software or equipment, fraud, inadequate training and employee errors.</p> | <p><b>Mitigation:</b> We have adopted all contemporary and proficient operational methods and systems. Faster loan disbursement through quick credit appraisal has defined the Company's operational benchmarks. Additionally, regular internal audit provides a check on deviation arising from any contingent operational inefficiency.</p>  |
| <p><b>Credit Risk</b></p>         | <p>The risk associated with the failure of the borrower to meet financial obligations to the lender in accordance with the agreed terms is known as Credit Risk. If any of our borrowers fail to discharge their obligations to us, it would result in financial loss.</p>  | <p><b>Mitigation:</b> Comprehensive review exercise is conducted for credit approvals, ensuring proper documentation, carrying out extensive credit appraisal, conducting periodic reviews etc., is done as a part of credit risk mitigation. Various norms for customer identification and evaluation procedure for prospective credit proposals have been stipulated as a part of risk mitigation.</p>   |
| <p><b>Regulatory Risk</b></p>    | <p>The risk arises out of a change in laws and regulation governing our businesses. It could also arise on account of inadequate addressal of regulatory requirements or differences in interpretation of regulations vis-à-vis the regulators.</p>   | <p><b>Mitigation:</b> All the periodic guidelines issued by the RBI are fully adhered to and complied with by the Company. We also follow stringent review systems to ensure compliance with the statutory guidelines and norms of the NBFC industry. We have a team of experienced professionals reporting to Group Head – Compliance, Legal &amp; Company Secretary which takes care of compliance with applicable laws, rules, regulations and guidelines affecting our businesses.</p>                             |
| <p><b>Liquidity Risk</b></p>    | <p>Liquidity risk is the risk of not honouring liabilities to different financial and non-financial institutions. This risk can result in shortfall and cash flow and can permanently damage the credibility of a Company.</p>  | <p><b>Mitigation:</b> Board of Directors meets regularly to review the liquidity position, based on future cash flows. As and when required the Company get its funding requirements from diverse sources, including Banks, Institutions, etc. Currently the Company has been maintaining zero debt in its books since last 2 years.</p>   |
| <p><b>Competition Risk</b></p>  | <p>Competition from new entrants or unorganised sector or diversification by existing financial Institutions may hamper the future growth of the Company.</p>   | <p><b>Mitigation:</b> Fair and transparent practices help the Company gain competitive advantage over other entities. Our human resource policies and a healthy positive work environment help us attract and retain best talent on a continuous basis.</p>  |
| <p><b>Employee Risk</b></p>     | <p>The Company's success depends largely upon the quality and competence of its management team and key personnel.</p>  | <p><b>Mitigation:</b> Attracting and retaining talented professionals is therefore a key element of the Company's strategy and a significant source of competitive advantage. While the Company has a salary and incentive structure designed to encourage employee retention. Any failure to attract and retain talented professionals, or the resignation or loss of key management personnel, may have an impact on the Company's business, its future financial performance and the results of its operations.</p> |

## Management Discussion and Analysis Report

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal financial controls are commensurate with the nature of its business, the size, and complexity of its operations and such internal financial controls with reference to the Financial Statements are adequate. The controls were tested during the year and no reportable material weaknesses either in their design or operation were observed. To maintain independence and objectivity in its function, the Internal Auditor reports directly to the Audit Committee of the Board.

Further, your Company's Internal Financial Controls (IFC) has been reviewed and all necessary steps 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 considers employees as the most valued asset, who are at the core of the business. Human capital is the most important business driver. A strong people culture is the soul of the

organization and biggest competitive advantage for a sustainable growth.

As an organization, all colleagues, at every level, are part of the organization's growth strategy and are empowered enough to take business decisions. The Company takes care of them much beyond salary, pay and perks and ensures that they get best-in-class learning and career advancement opportunities. The key pillars of the core philosophy are talent care and development, empowerment and decision making at all levels, innovation, agility and digital transformation.

The Company understands that internal selection and succession is very critical for the long-term sustenance of the business as it ensures business continuity, preserves corporate culture, enhances knowledge capital and fuels the ambitions of the company's talent leading to better retention. It is ensured that internal talent is groomed for the next level responsibilities.

As on 31st March, 2021, there are 10 permanent employees on the rolls of Company.

### CAUTIONARY STATEMENT

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



**Financial Section**



## 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, 2021, 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, 2021, its profit (including other

comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### Basis for Qualified 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 qualified opinion on the Ind AS financial statements.

#### Key Audit Matters

In addition to the matter described in the Basis for Opinion section above, 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>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>We started our audit procedures with the understanding of the internal control environment related to her 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> |

## Independent Auditor's Report

| Sr.No. | Key Audit Matters   | How the matter was addressed in our audit:   |
|--------|---|--|
|        | <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>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> |

### Emphasis of Matter

We draw attention to Note 37 to the Ind AS financial statements, which explains the staging of accounts to whom moratorium benefit was extended 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

## Independent Auditor's Report

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:

- 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.

### 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.

## Independent Auditor's Report

(2) As required by section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
- d. In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. 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, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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;

- 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. 40 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: 21067806AAAAAP3150

Place: Kolkata

Date: May 06, 2021

## Annexure I 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, 2021.]

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

| Land/<br>Building | Total number<br>of cases | Leasehold/<br>Freehold | Gross Block as on<br>March 31, 2021<br>(₹ in lakhs) | Net Block as on<br>March 31, 2021<br>(₹ in lakhs) | Remarks               |
|-------------------|--------------------------|------------------------|---|---|-----------------------|
| Building          | 1                        | Freehold               | 13.26   | 12.56   | 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

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:

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. 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, 2021 with respect to income tax on account of any dispute, are as follows:



## Annexure I to the Independent Auditor's Report

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

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

- (viii) During the year, the Company has not taken any loans or borrowings from any financial institution, bank or government nor has it issued any debentures. Accordingly, clause 3(viii) of the Order is not applicable to the Company.
- (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 the 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 has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, clause 3(xiv) of the Order is not applicable to the Company.
- (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: 21067806AAAAAP3150

Place: Kolkata  
 Date: May 06, 2021

## Annexure II 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, 2021.]

### 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, 2021 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.

#### 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, 2021, 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: 21067806AAAAAP3150

Place: Kolkata

Date: May 06, 2021

## Balance Sheet as at 31st March, 2021

(₹ in Lakhs)

| Particulars   | Note No. | As at 31st March, 2021 | As at 31st March, 2020 |
|---|----------|------------------------|------------------------|
| <b>ASSETS</b>   |          |                        |                        |
| (1) Financial Assets  |          |                        |                        |
| (a) Cash and Cash Equivalents   | 2        | 234.26                 | 74.09                  |
| (b) Bank Balance other than above   | 3        | 19.73                  | 19.73                  |
| (c) Loans   | 4        | 4,240.11               | 4,209.00               |
| (d) Investments   | 5        | 0.01                   | 0.01                   |
| (e) Other Financial Assets  | 6        | 1.93                   | 1.93                   |
| (2) Non-Financial Assets  |          |                        |                        |
| (a) Current Tax Assets (net)  | 7        | 146.35                 | 97.91                  |
| (b) Deferred Tax Assets (net)   | 8        | 192.05                 | 290.27                 |
| (c) Investment Property   | 9        | 12.56                  | 12.76                  |
| (d) Property, Plant and Equipment   | 10       | 4.88                   | 5.17                   |
| (e) Other Non-Financial Assets  | 11       | 11.30                  | 12.11                  |
| <b>Total Assets</b>   |          | <b>4,863.18</b>        | <b>4,722.98</b>        |
| <b>LIABILITIES AND EQUITY</b>   |          |                        |                        |
| <b>Liabilities</b>  |          |                        |                        |
| (1) Financial Liabilities   |          |                        |                        |
| (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) Other Financial Liabilities   | 13       | 42.45                  | 35.03                  |
| (2) Non-Financial Liabilities   |          |                        |                        |
| (a) Current Tax Liabilities (net)   | 14       | -                      | 25.66                  |
| (b) Provisions  | 15       | 26.34                  | 24.31                  |
| (c) Other Non-Financial Liabilities   | 16       | 1.37                   | 9.74                   |
| <b>Total Liabilities</b>  |          | <b>70.16</b>           | <b>94.74</b>           |
| <b>Equity</b>   |          |                        |                        |
| (a) Equity Share Capital  | 17       | 1,188.17               | 1,188.17               |
| (b) Other Equity  | 18       | 3,604.85               | 3,440.07               |
| <b>Total Equity</b>   |          | <b>4,793.02</b>        | <b>4,628.24</b>        |
| <b>Total Liabilities and Equity</b>   |          | <b>4,863.18</b>        | <b>4,722.98</b>        |

Significant Accounting Policies and Notes to Financial Statements 1- 41

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

**Pawan Jain**
*Chairman*

(DIN: 00038076)

**Daulat Jain**
*Managing Director & Chief Executive Officer*

(DIN: 00040088)

Place: Kolkata

Date: 06th May, 2021

**Anju Mundhra**
*Company Secretary*
**Gaurav Jain**
*Chief Financial Officer*

## Statement of Profit and Loss for the year ended 31st March, 2021

(₹ in Lakhs)

| Particulars   | Note No. | Year ended<br>31st March, 2021 | Year ended<br>31st March, 2020 |
|---|----------|--------------------------------|--------------------------------|
| <b>REVENUE FROM OPERATIONS</b>  |          |                                |                                |
| (i) Interest Income   | 19       | 652.12                         | 691.16                         |
| (ii) Net gain on fair value changes   | 20       | -                              | 19.41                          |
| <b>(I) Total Revenue from Operations</b>  |          | <b>652.12</b>                  | <b>710.57</b>                  |
| (II) Other Income   | 21       | 31.89                          | 13.31                          |
| <b>(III) Total Income (I+II)</b>  |          | <b>684.01</b>                  | <b>723.88</b>                  |
| <b>EXPENSES</b>   |          |                                |                                |
| (i) Finance Costs   | 22       | -                              | 46.20                          |
| (ii) Impairment on Financial Instruments (net)  | 23       | 295.39                         | 660.03                         |
| (iii) Employee Benefits Expenses  | 24       | 83.37                          | 282.10                         |
| (iv) Depreciation, Amortisation and Impairment Expense  | 9-10     | 0.49                           | 0.63                           |
| (v) Other Expenses  | 25       | 57.42                          | 86.66                          |
| <b>(IV) Total Expenses</b>  |          | <b>436.67</b>                  | <b>1,075.62</b>                |
| (V) <b>Profit / (Loss) before exceptional items &amp; tax (III-IV)</b>                            |          | 247.34                         | (351.74)                       |
| (VI) Exceptional Items  |          | -                              | -                              |
| <b>(VII) Profit / (Loss) before tax (V-VI)</b>  |          | 247.34                         | (351.74)                       |
| (VIII) Tax Expense:   |          |                                |                                |
| (a) Current Tax   |          | -                              | 88.63                          |
| (b) Deferred Tax  |          | 97.76                          | (187.35)                       |
| (c) Tax adjustment for earlier years  |          | (13.91)                        | 0.91                           |
| <b>(IX) Profit / (Loss) after tax (VII-VIII)</b>  |          | <b>163.49</b>                  | <b>(253.93)</b>                |
| <b>(X) Other Comprehensive Income</b>   |          |                                |                                |
| (i) Items that will not be reclassified to Profit or Loss   |          |                                |                                |
| (a) Remeasurement Gains/ (Loss) on Defined Benefit Plan   |          | 1.75                           | 0.28                           |
| (b) Income tax on above   |          | (0.46)                         | (0.08)                         |
| <b>Total Other Comprehensive Income (net of tax)</b>  |          | <b>1.29</b>                    | <b>0.20</b>                    |
| <b>(XI) Total Comprehensive Income (IX+X)</b>   |          | <b>164.78</b>                  | <b>(253.73)</b>                |
| <b>(XII) Earnings per Equity Per Share Value of ₹ 10/- per share<br/>Basic and diluted (in ₹)</b> | 26       | <b>1.38</b>                    | <b>(2.17)</b>                  |

Significant Accounting Policies and Notes to Financial Statements 1- 41

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: 06th May, 2021

**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, 2021

(₹ in Lakhs)

| Particulars   | Year ended<br>31st March, 2021 | Year ended<br>31st March, 2020 |
|---|--------------------------------|--------------------------------|
| <b>A. Cash Flow from Operating Activities</b>   |                                |                                |
| <b>Profit/ (Loss) Before Tax</b>  | <b>247.34</b>                  | <b>(351.74)</b>                |
| Adjustments for:  |                                |                                |
| Depreciation, Amortisation and Impairment Expense   | 0.49                           | 0.63                           |
| Liability No Longer Required written back   | -                              | (0.01)                         |
| Impairment on Financial Instruments (net)   | 295.39                         | 660.03                         |
| Interest on income tax refund   | (1.89)                         | (3.21)                         |
| Interest on income tax  | -                              | 5.14                           |
| 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>541.33</b>                  | <b>291.75</b>                  |
| <b>Movements in Working Capital :</b>   |                                |                                |
| (Increase) / Decrease in Loans  | (325.62)                       | 700.72                         |
| Increase / (Decrease) in Other Financial Liabilities  | 4.17                           | (0.26)                         |
| Increase / (Decrease) in Other Non-Financial Liabilities                                    | (1.36)                         | (4.97)                         |
| (Increase) / Decrease in Other Non-Financial Assets   | 0.81                           | (5.81)                         |
| (Increase) / Decrease in other Bank Balances (unclaimed dividend)                           | -                              | (19.73)                        |
| <b>Cash Generated / (Used) in Operations</b>  | <b>219.33</b>                  | <b>961.70</b>                  |
| Advance taxes paid (including Tax Deducted at Source and net of Refunds)                    | (59.16)                        | (132.02)                       |
| <b>Net Cash Generated from / (Used in) Operating Activities (A)</b>                         | <b>160.17</b>                  | <b>829.68</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)                         |
| Purchase of Investments   | -                              | (2,487.00)                     |
| <b>Net Cash Generated from/ (Used in) Investing Activities (B)</b>                          | <b>-</b>                       | <b>19.21</b>                   |
| <b>C. Cash Flow from Financing Activities</b>   |                                |                                |
| Proceeds from issue of equity shares (including securities premium) [refer Note No. 17 (e)] | -                              | 145.80                         |
| Dividend Paid   | -                              | (113.40)                       |
| Corporate Dividend Tax  | -                              | (23.31)                        |
| Amount received from borrowings (other than debt securities)                                | -                              | 105.00                         |
| Repayment of borrowings (other than debt securities)  | -                              | (1,788.00)                     |
| <b>Net Cash Generated from / (Used in) Financing Activities (C)</b>                         | <b>-</b>                       | <b>(1,673.91)</b>              |
| <b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>                         | <b>160.17</b>                  | <b>(825.02)</b>                |
| <b>Cash and Cash Equivalents at the beginning of the year</b>                               | <b>74.09</b>                   | <b>899.11</b>                  |
| <b>Cash and Cash Equivalents at the end of the year (refer Note No. 2)</b>                  | <b>234.26</b>                  | <b>74.09</b>                   |
| <b>Net Cash Generated from/ (Used in) Operating Activities includes:</b>                    |                                |                                |
| Interest received on loans:   | 681.38                         | 634.37                         |
| Interest paid   | -                              | (41.06)                        |



## Statement of Cash Flows for the year ended 31st March, 2021 (Contd.)

### Components of Cash and Cash Equivalents:

(₹ in Lakhs)

| Particulars                                      | As at            |                  |
|--|------------------|------------------|
|  | 31st March, 2021 | 31st March, 2020 |
| Cash and Cash Equivalents at the end of the year |                  |                  |
| (a) Cash on hand                                 | 4.62             | 1.06             |
| (b) Balances with Banks - in Current Account     | 182.31           | 73.03            |
| (c) Cheques on hand                              | 47.33            | -                |
|  | <b>234.26</b>    | <b>74.09</b>     |

### Changes in Cash Flows from Financing Activities

(₹ in Lakhs)

| Particulars                             | As at<br>1st April, 2020 | Movement |          | As at<br>31st March, 2021 |
|---|--------------------------|----------|----------|---------------------------|
|   |                          | Cash     | Non-Cash |                           |
| Borrowings (Other than Debt Securities) | -                        | -        | -        | -                         |

(₹ in Lakhs)

| Particulars                             | As at<br>1st April, 2019 | Movement   |          | As at<br>31st March, 2020 |
|---|--------------------------|------------|----------|---------------------------|
|   |                          | Cash       | Non-Cash |                           |
| Borrowings (Other than Debt Securities) | 1,683.00                 | (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'.
- Figures pertaining to previous year figures have been rearranged/ regrouped, wherever necessary to make them comparable with those of current year.

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

For **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: 06th May, 2021

**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.

The financial statements of the Company for the year ended 31<sup>st</sup> March, 2021 were approved for issue in accordance with the resolution of the Board of Directors on 6<sup>th</sup> May, 2021.

### 1(b) Significant Accounting Policies

#### 1.1 Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, other relevant provision of the Act and guidelines issued by the Reserve Bank of India ("the RBI").

#### 1.2 Basis of preparation and presentation

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

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

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

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

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

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

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

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

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

## Significant Accounting Policies and Notes to Financial Statements (Contd.)

### 1.3 Revenue Recognition

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

(A) Revenue from Operations 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.

(B) Other Income: All other items of income are accounted for on accrual basis.

### 1.4 Leases

#### a) Arrangements where the Company is the lessee

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

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

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

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

#### b) Arrangements where the Company is the lessor

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

## Significant Accounting Policies and Notes to Financial Statements (Contd.)

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.

### 1.7 Taxation

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

#### Current tax

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

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

## Significant Accounting Policies and Notes to Financial Statements (Contd.)

### Deferred tax

The company's deferred tax is calculated using the tax rate that are substantively enacted by the end of the reporting period. Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit.

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

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

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

### Current and deferred tax for the year

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

## 1.8 Property, Plant and Equipment

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

### Initial and subsequent recognition

Property, plant and equipment are initially recognised at cost together with borrowing cost capitalized for qualifying assets. Cost comprises the purchase price and any directly attributable cost of bringing the asset to the location and its working condition for its intended use. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is 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 derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

### Depreciation

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



## Significant Accounting Policies and Notes to Financial Statements (Contd.)

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.

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

### 1.10 Impairment of Non-Financial Assets

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

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

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

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

### 1.11 Provisions, Contingent Liabilities and Contingent Assets

#### Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

## Significant Accounting Policies and Notes to Financial Statements (Contd.)

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

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

### Contingent Liabilities

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

### Contingent Assets

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

### 1.12 Cash and cash equivalents

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

### 1.13 Segment Reporting

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

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

### 1.14 Financial Instruments

Classification of financial instruments

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

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

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

#### Business model assessment

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

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

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed.
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

## Significant Accounting Policies and Notes to Financial Statements (Contd.)

- 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):

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

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

### Effective Interest Rate (EIR) Method:

The EIR is a method of calculating the amortised cost of a debt instrument and of allocating interest income or expense over the relevant period.

The EIR is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability on initial recognition.

The EIR for financial assets or financial liability is computed:

- a) By considering all the contractual terms of the financial instrument in estimating the cash flows.
- b) Including fees and transaction costs that are integral part of EIR.

### Impairment of Financial Assets:

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

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

No Expected credit losses are recognised on equity investments.

Also refer 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



## Significant Accounting Policies and Notes to Financial Statements (Contd.)

guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

### 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. Backed by past practice.

### 1.14.5 Fair value measurement

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

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

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

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

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

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

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

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

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

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

## 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.

## Significant Accounting Policies and Notes to Financial Statements (Contd.)

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

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

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

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

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

### 1.14.7 Write-offs

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the Statement of profit and loss.

### 1.15 Earnings Per Share ('EPS')

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

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

### 1.16 Significant accounting judgements, estimates and assumptions

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

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

#### 1.16.1 Impairment 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.

### 1.16.2 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are 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.

### 1.16.3 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.

### 1.16.4 Fair Value measurement

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

### 1.16.5 Defined employee benefit assets and liabilities

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

### 1.16.6 EIR method

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

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

### 1.16.7 Other estimates

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

## 1.17 Foreign currency transactions and translations

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

## Significant Accounting Policies and Notes to Financial Statements (Contd.)

### 1.18 Recent accounting pronouncements

MCA through a notification dated 24<sup>th</sup> March, 2021 amended Schedule III to the Act. These amendments revise Division I, II and III of Schedule III of the Act is applicable from 1<sup>st</sup> April, 2021. These amendments are extensive and the Company will evaluate the same to give effect to them as required by MCA.



## Notes to Financial Statements as at and for the year ended 31st March, 2021

### A. Equity Share Capital

(₹ in Lakhs)

| Particulars                                     | Amount          |
|---|-----------------|
| As at 1st April, 2019                           | 1,134.17        |
| Changes in Equity share capital during the year | 54.00           |
| As at 31st March, 2020                          | 1,188.17        |
| Changes in Equity share capital during the year | -               |
| <b>As at 31st March, 2021</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 |                                       |                 |
| 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. 17(e)] | -  | 140.40                     | -                 | (48.60)                               | 91.80           |
| Balance as at 31st March, 2020                              | 335.66   | 3,362.01                   | (257.60)          | -                                     | 3,440.07        |
| Balance as at the 1st April, 2020                           | 335.66   | 3,362.01                   | (257.60)          | -                                     | 3,440.07        |
| Profit for the year   | -  | -                          | 163.49            | -                                     | 163.49          |
| Remeasurement Gains on Defined Benefit Plan (net of tax)    | -  | -                          | 1.29              | -                                     | 1.29            |
| Transfer from retained earnings                             | 32.70  | -                          | (32.70)           | -                                     | -               |
| <b>Balance as at 31st March, 2021</b>                       | <b>368.36</b>  | <b>3,362.01</b>            | <b>(125.52)</b>   | <b>-</b>                              | <b>3,604.85</b> |

Refer Note No. 18 for nature and purpose of reserves.

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

For and on behalf of the Board of Directors

**Mahesh Agarwal**

Partner

Membership No. 067806

Place: Kolkata

Date: 06th May, 2021

**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 Financial Statements as at and for the year ended 31st March, 2021 (Contd.)

### 2. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

| Particulars                              | As at<br>31st March, 2021 | As at<br>31st March, 2020 |
|--|---------------------------|---------------------------|
| Cash on hand                             | 4.62                      | 1.06                      |
| Balances with Banks - in Current Account | 182.31                    | 73.03                     |
| Cheques on hand                          | 47.33                     | -                         |
| <b>Total</b>                             | <b>234.26</b>             | <b>74.09</b>              |

### 3. BANK BALANCE OTHER THAN ABOVE

(₹ in Lakhs)

| Particulars                 | As at<br>31st March, 2021 | As at<br>31st March, 2020 |
|-----------------------------|---------------------------|---------------------------|
| Balances with banks         |                           |                           |
| Unclaimed Dividend Accounts | 19.73                     | 19.73                     |
| <b>Total</b>                | <b>19.73</b>              | <b>19.73</b>              |

### 4. LOANS

(₹ in Lakhs)

| Particulars                                    | As at 31st March, 2021 |  |                              |  |           | Total           |
|--|------------------------|--|------------------------------|--|-----------|-----------------|
|  | Amortised<br>Cost      | At fair value                            |                              |  | Sub-total |                 |
|  |                        | Through Other<br>Comprehensive<br>Income | Through<br>profit or<br>loss | Designated<br>at fair value<br>through profit<br>or loss |           |                 |
| Loans  |                        |  |                              |  |           |                 |
| <b>(A)</b>                                     |                        |  |                              |  |           |                 |
| (i) Term Loans                                 | 4,695.08               | -  | -                            | -  | -         | 4,695.08        |
| (ii) Other Loans                               |                        |  |                              |  |           |                 |
| -Inter-corporate Deposits                      | 198.20                 | -  | -                            | -  | -         | 198.20          |
| <b>Total A (Gross)</b>                         | <b>4,893.28</b>        | -  | -                            | -  | -         | <b>4,893.28</b> |
| Less: Impairment loss allowance                | 653.17                 | -  | -                            | -  | -         | 653.17          |
| <b>Total A (Net)</b>                           | <b>4,240.11</b>        | -  | -                            | -  | -         | <b>4,240.11</b> |
| <b>(B)</b>                                     |                        |  |                              |  |           |                 |
| (i) Secured by tangible assets <sup>1</sup>    | 11.88                  | -  | -                            | -  | -         | 11.88           |
| (ii) Secured by intangible assets <sup>2</sup> | 3,181.61               | -  | -                            | -  | -         | 3,181.61        |
| (iii) Unsecured                                | 1,699.79               | -  | -                            | -  | -         | 1,699.79        |
| <b>Total B (Gross)</b>                         | <b>4,893.28</b>        | -  | -                            | -  | -         | <b>4,893.28</b> |
| Less: Impairment loss allowance                | 653.17                 | -  | -                            | -  | -         | 653.17          |
| <b>Total B (Net)</b>                           | <b>4,240.11</b>        | -  | -                            | -  | -         | <b>4,240.11</b> |
| <b>(C) (I) Loans in India</b>                  |                        |  |                              |  |           |                 |
| (i) Public Sector                              | -                      | -  | -                            | -  | -         | -               |
| (ii) Others                                    | 4,893.28               | -  | -                            | -  | -         | 4,893.28        |
| <b>Total (C) (I) (Gross)</b>                   | <b>4,893.28</b>        | -  | -                            | -  | -         | <b>4,893.28</b> |
| Less: Impairment loss allowance                | 653.17                 | -  | -                            | -  | -         | 653.17          |
| <b>Total (C) (I) (Net)</b>                     | <b>4,240.11</b>        | -  | -                            | -  | -         | <b>4,240.11</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>4,240.11</b>        | -  | -                            | -  | -         | <b>4,240.11</b> |

## Notes to Financial Statements as at and for the year ended 31st March, 2021 (Contd.)

(₹ in Lakhs)

| Particulars                                    | As at 31st March, 2020 |                                    |                        |   |           | Total           |
|--|------------------------|------------------------------------|------------------------|---|-----------|-----------------|
|  | Amortised Cost         | At fair value                      |                        |   | Sub-total |                 |
|  |                        | Through Other Comprehensive 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>5,122.55</b> |
| Less: Impairment loss allowance                | 913.55                 | -                                  | -                      | -   | -         | 913.55          |
| <b>Total A (Net)</b>                           | <b>4,209.00</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>5,122.55</b> |
| Less: Impairment loss allowance                | 913.55                 | -                                  | -                      | -   | -         | 913.55          |
| <b>Total B (Net)</b>                           | <b>4,209.00</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>5,122.55</b> |
| Less: Impairment loss allowance                | 913.55                 | -                                  | -                      | -   | -         | 913.55          |
| <b>Total (C) (I) (Net)</b>                     | <b>4,209.00</b>        | -                                  | -                      | -   | -         | <b>4,209.00</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>4,209.00</b>        | -                                  | -                      | -   | -         | <b>4,209.00</b> |

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

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

## Notes to Financial Statements as at and for the year ended 31st March, 2021 (Contd.)

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

| Particulars  | As at 31st March, 2021 |               |               |                 | As at 31st March, 2020 |               |               |                 |
|--|------------------------|---------------|---------------|-----------------|------------------------|---------------|---------------|-----------------|
|  | Stage 1                | Stage 2       | Stage 3       | Total           | Stage 1                | Stage 2       | Stage 3       | Total           |
| <b>Gross carrying amount - opening 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> |
| New assets originated or purchased/ disbursement     | 10,063.28              | 479.25        | -             | 10,542.53       | 4,735.46               | -             | 14.77         | 4,750.23        |
| Assets derecognised or repaid (excluding write offs) | (9,727.96)             | (373.79)      | (100.00)      | (10,201.75)     | (5,206.35)             | -             | (233.34)      | (5,439.69)      |
| Transfers to Stage 1                                 | 269.78                 | (269.78)      | -             | -               | -                      | -             | -             | -               |
| Transfers to Stage 2                                 | (325.53)               | 325.53        | -             | -               | (164.32)               | 164.32        | -             | -               |
| Transfers to Stage 3                                 | (668.35)               | -             | 668.35        | -               | (600.00)               | -             | 600.00        | -               |
| Amounts written off                                  | -                      | -             | (570.05)      | (570.05)        | (11.27)                | -             | -             | (11.27)         |
| <b>Gross carrying amount - closing balance</b>       | <b>3,746.80</b>        | <b>325.53</b> | <b>820.95</b> | <b>4,893.28</b> | <b>4,135.58</b>        | <b>164.32</b> | <b>822.65</b> | <b>5,122.55</b> |

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

| Particulars  | As at 31st March, 2021 |             |               |               | As at 31st March, 2020 |             |               |               |
|--|------------------------|-------------|---------------|---------------|------------------------|-------------|---------------|---------------|
|  | Stage 1                | Stage 2     | Stage 3       | Total         | Stage 1                | Stage 2     | Stage 3       | Total         |
| <b>ECL allowance - opening 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> |
| New assets originated or purchased/ disbursement                               | 189.03                 | 9.00        | -             | 198.03        | 100.11                 | -           | -             | 100.11        |
| Assets derecognised or repaid (excluding write offs)                           | (182.73)               | (7.01)      | (100.00)      | (289.74)      | (60.22)                | -           | (111.57)      | (171.79)      |
| Changes in ECL rate from previous financial year                               | (9.76)                 | (0.39)      | -             | (10.15)       | 11.07                  | -           | 123.26        | 134.33        |
| Transfers to Stage 1   | 5.07                   | (5.07)      | -             | -             | -                      | -           | -             | -             |
| Transfers to Stage 2   | (6.11)                 | 6.11        | -             | -             | (1.35)                 | 1.35        | -             | -             |
| Transfers to Stage 3   | (12.55)                | -           | 12.55         | -             | (4.74)                 | -           | 4.74          | -             |
| Impact on year end ECL of exposures transferred between stages during the year | -                      | -           | 411.53        | 411.53        | -                      | 2.12        | 595.26        | 597.38        |
| Amounts written off  | -                      | -           | (570.05)      | (570.05)      | -                      | -           | -             | -             |
| <b>ECL allowance - closing balance</b>   | <b>70.38</b>           | <b>6.11</b> | <b>576.68</b> | <b>653.17</b> | <b>87.43</b>           | <b>3.47</b> | <b>822.65</b> | <b>913.55</b> |

iii) The contractual amount outstanding on loan assets that were written off during the reporting period and are still subject to enforcement activity is ₹ 562.77 Lakhs (31st March 2020:NIL).

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

## Notes to Financial Statements as at and for the year ended 31st March, 2021 (Contd.)

### 5. INVESTMENTS

(₹ in Lakhs)

| Particulars                              | As at 31st March, 2021 |                                    |                        |   |             | Total       |
|--|------------------------|------------------------------------|------------------------|---|-------------|-------------|
|  | At fair value          |                                    |                        |   |             |             |
|  | Amortised Cost         | Through Other Comprehensive Income | Through profit or loss | Designated at fair value through profit or loss | Sub-total   |             |
| 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> |
| <b>Total (A) to tally with (B)</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 31st March, 2020 |                                    |                        |   |             | Total       |
|--|------------------------|------------------------------------|------------------------|---|-------------|-------------|
|  | At fair value          |                                    |                        |   |             |             |
|  | Amortised Cost         | Through Other Comprehensive Income | Through profit or loss | Designated at fair value through profit or loss | Sub-total   |             |
| 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> |
| <b>Total (A) to tally with (B)</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                         | Face Value (₹) | Quantity  |                        | ₹ in lakhs             |                        |
|-------------------------------------|----------------|---|------------------------|------------------------|------------------------|
|                                     |                | As at 31st March, 2021  | As at 31st March, 2020 | As at 31st March, 2021 | As at 31st March, 2020 |
|                                     |                | <b>Investment Carried at Fair Value through Profit or Loss In Equity Instruments (Unquoted)</b> |                        |                        |                        |
| -Maniratnam Flat Owners Association | 1              | 1,298   | 1,298                  | 0.01                   | 0.01                   |
| <b>Total</b>                        |                | <b>1,298</b>  | <b>1,298</b>           | <b>0.01</b>            | <b>0.01</b>            |

More information regarding the valuation methodologies can be found in Note No. 32(B).



## Notes to Financial Statements as at and for the year ended 31st March, 2021 (Contd.)

### 6. OTHER FINANCIAL ASSETS

(₹ in Lakhs)

| Particulars          | As at<br>31st March, 2021 | As at<br>31st March, 2020 |
|----------------------|---------------------------|---------------------------|
| Security Deposits    |                           |                           |
| - To Related Parties | 1.60                      | 1.60                      |
| - To others          | 0.33                      | 0.33                      |
| <b>Total</b>         | <b>1.93</b>               | <b>1.93</b>               |

### 7. CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

| Particulars   | As at<br>31st March, 2021 | As at<br>31st March, 2020 |
|---|---------------------------|---------------------------|
| Advance income tax (net of provision for income tax)<br>[(Net of provision for income tax ₹ 320.21 Lakhs) (31st March, 2020: ₹ 284.79 Lakhs)] | 146.35                    | 97.91                     |
| <b>Total</b>  | <b>146.35</b>             | <b>97.91</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, 2021 and 31st March, 2020 is, as follows:

(₹ in Lakhs)

| Particulars   | As at<br>31st March, 2021 | As at<br>31st March, 2020 |
|---|---------------------------|---------------------------|
| <b>Accounting profit before tax</b>                                     | <b>247.34</b>             | <b>(351.74)</b>           |
| Statutory Income Tax Rate   | 26.00%                    | 27.82%                    |
| Expected income tax expense at statutory income tax rate                | 64.31                     | (97.85)                   |
| (i) Income exempt from tax / Items not deductible (net)                 | 2.26                      | 1.63                      |
| (ii) Effect of indexation benefit / different tax rate on certain items | -                         | -                         |
| (iii) Other differences   | 17.28                     | (1.59)                    |
| <b>Total Tax Expense recognised in Statement of Profit and Loss</b>     | <b>83.85</b>              | <b>(97.81)</b>            |
| Total Tax Expense recognised in Other Comprehensive Income              | (0.46)                    | (0.08)                    |

### 8. Deferred Tax Assets / (Deferred Tax Liabilities) (net)

(₹ in Lakhs)

| Particulars                                    | As at<br>1st<br>April,<br>2020 | Recognised /<br>(reversed) in<br>Statement of<br>Profit and Loss | Recognised /<br>(reversed) in Other<br>Comprehensive<br>Income | Others*  | As at<br>31st March, 2021 |
|--|--------------------------------|--|--|----------|---------------------------|
| MAT Credit Entitlement                         | 36.16                          | (14.57)  | -  | -        | 21.59                     |
| Carried Forward Losses                         | -                              | 1.35   | -  | -        | 1.35                      |
| Property Plant and Equipment                   | (0.07)                         | 0.02   | -  | -        | (0.05)                    |
| Provision for Post retirement benefits         | 6.77                           | 1.38   | (0.46)   | -        | 7.69                      |
| Loans measured at Amortised Cost               | 247.41                         | (85.94)  | -  | -        | 161.47                    |
| <b>Net Deferred Tax Assets / (Liabilities)</b> | <b>290.27</b>                  | <b>(97.76)</b>   | <b>(0.46)</b>  | <b>-</b> | <b>192.05</b>             |

## Notes to Financial Statements as at and for the year ended 31st March, 2021 (Contd.)

(₹ in Lakhs)

| Particulars                                    | As at 1st April, 2019 | Recognised / (reversed) in Statement of Profit and Loss | Recognised / (reversed) in Other Comprehensive Income | Others*        | As at 31st March, 2020 |
|--|-----------------------|---|---|----------------|------------------------|
| MAT Credit Entitlement                         | 47.04                 | 9.40  | -   | (20.28)        | 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>187.35</b>   | <b>(0.08)</b>   | <b>(20.28)</b> | <b>290.27</b>          |

\*MAT Credit Entitlement utilised against provision for income tax.

### 9. INVESTMENT PROPERTY

(₹ in Lakhs)

| Particulars  | As at 31st March, 2021 | As at 31st March, 2020 |
|--|------------------------|------------------------|
| <b>Building*</b>   |                        |                        |
| <b>Opening Gross Carrying Amount</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>Opening Accumulated Depreciation and Impairment Expense</b> | <b>0.50</b>            | <b>0.25</b>            |
| Depreciation charge for the year                               | 0.20                   | 0.25                   |
| <b>Closing Accumulated Depreciation and Impairment Expense</b> | <b>0.70</b>            | <b>0.50</b>            |
| <b>Net Carrying Amount</b>                                     | <b>12.56</b>           | <b>12.76</b>           |

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

(₹ in Lakhs)

| Particulars  | As at 31st March, 2021 | As at 31st March, 2020 |
|--|------------------------|------------------------|
| Rental income from investment property   | -                      | -                      |
| Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the year        | -                      | -                      |
| Direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental income during the year | 0.34                   | 0.34                   |

#### (ii) Fair Value

(₹ in Lakhs)

| Particulars         | Level   | As at 31st March, 2021 | As at 31st March, 2020 |
|---------------------|---------|------------------------|------------------------|
| Investment Property | Level 2 | 35.02                  | 37.95                  |

#### (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.

## Notes to Financial Statements as at and for the year ended 31st March, 2021 (Contd.)

### (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, 2020 | Additions during the year | Disposals and other adjustments | As at 31st March, 2021 | As at 1st April, 2020               | For the year | Disposals and other adjustments | As at 31st March, 2021 | As at 31st March, 2021 |
|                    | (a)                   | (b)                       | (c)                             | (d=a+b-c)              | (e)                                 | (f)          | (g)                             | (h=e+f-g)              | (d-h)                  |
| Assets for Own use |                       |                           |                                 |                        |                                     |              |                                 |                        |                        |
| Buildings          | 4.72                  | -                         | -                               | 4.72                   | 0.18                                | 0.09         | -                               | 0.27                   | 4.45                   |
| Computers          | 1.06                  | -                         | -                               | 1.06                   | 0.43                                | 0.20         | -                               | 0.63                   | 0.43                   |
| <b>Total</b>       | <b>5.78</b>           | <b>-</b>                  | <b>-</b>                        | <b>5.78</b>            | <b>0.61</b>                         | <b>0.29</b>  | <b>-</b>                        | <b>0.90</b>            | <b>4.88</b>            |

(₹ 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)                  |
| Assets for Own use |                       |                           |                                 |                        |                                     |              |                                 |                        |                        |
| 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>            |

### 11. OTHER NON-FINANCIAL ASSETS

(₹ in Lakhs)

| Particulars  | As at 31st March, 2021 | As at 31st March, 2020 |
|--|------------------------|------------------------|
| Employee Advances                                  | -                      | 0.43                   |
| Advances to Vendors for Operating Expenses         | 0.06                   | 0.83                   |
| Prepaid Expenses                                   | 0.49                   | -                      |
| Balances with Government Authorities               |                        |                        |
| -Goods and Services Tax (Credit Input Receivable)  | 4.45                   | 4.55                   |
| -Income Tax Paid Under Protest (refer Note No. 27) | 6.30                   | 6.30                   |
| <b>Total</b>                                       | <b>11.30</b>           | <b>12.11</b>           |

## Notes to Financial Statements as at and for the year ended 31st March, 2021 (Contd.)

### 12. PAYABLES

(₹ in Lakhs)

| Particulars  | As at<br>31st March, 2021 | As at<br>31st March, 2020 |
|--|---------------------------|---------------------------|
| <b>Trade Payables</b>  |                           |                           |
| - 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>Other Payables</b>  |                           |                           |
| - 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>   | -                         | -                         |

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

(₹ in Lakhs)

| Particulars  | As at<br>31st March, 2021 | As at<br>31st March, 2020 |
|--|---------------------------|---------------------------|
| a) The principal amount and interest due thereon remaining unpaid to any supplier.   | -                         | -                         |
| b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day.   | -                         | -                         |
| c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.   | -                         | -                         |
| d) The amount of interest accrued and remaining unpaid.  | -                         | -                         |
| e) The amount of further interest remaining due and payable even in the succeeding year until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | -                         | -                         |
| <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. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

| Particulars                            | As at<br>31st March, 2021 | As at<br>31st March, 2020 |
|--|---------------------------|---------------------------|
| Payable to Employees                   | 12.66                     | 4.07                      |
| Liabilities for Operating Expenses     | 10.06                     | 11.23                     |
| Unpaid Dividends (refer Note No. 13.1) | 19.73                     | 19.73                     |
| <b>Total</b>                           | <b>42.45</b>              | <b>35.03</b>              |

**13.1** To be credited to Investor Education and Protection Fund as and when due. As at 31st March, 2021, there are no amounts due to be transferred to Investor Education and Protection Fund.

## Notes to Financial Statements as at and for the year ended 31st March, 2021 (Contd.)

### 14. CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

| Particulars   | As at<br>31st March, 2021 |            | As at<br>31st March, 2020 |              |
|---|---------------------------|------------|---------------------------|--------------|
|   | No. of<br>Shares          | ₹ in lakhs | No. of<br>Shares          | ₹ in lakhs   |
| For Taxation (Net of Advance Tax ₹ Nil , 31st March, 2020: ₹ 44.61 lakhs) |                           | -          |                           | 25.66        |
| <b>Total</b>  |                           | -          |                           | <b>25.66</b> |

### 15. PROVISIONS

(₹ in Lakhs)

| Particulars  | As at<br>31st March, 2021 |              | As at<br>31st March, 2020 |              |
|--|---------------------------|--------------|---------------------------|--------------|
|  | No. of<br>Shares          | ₹ in lakhs   | No. of<br>Shares          | ₹ in lakhs   |
| <b>Provision for Employee Benefits</b> (refer Note No. 28) |                           |              |                           |              |
| Gratuity   |                           | 26.34        |                           | 24.31        |
| <b>Total</b>   |                           | <b>26.34</b> |                           | <b>24.31</b> |

### 16. OTHER NON-FINANCIAL LIABILITIES

(₹ in Lakhs)

| Particulars            | As at<br>31st March, 2021 |             | As at<br>31st March, 2020 |             |
|------------------------|---------------------------|-------------|---------------------------|-------------|
|                        | No. of<br>Shares          | ₹ in lakhs  | No. of<br>Shares          | ₹ in lakhs  |
| Statutory dues payable |                           | 1.37        |                           | 9.74        |
| <b>Total</b>           |                           | <b>1.37</b> |                           | <b>9.74</b> |

### 17. EQUITY SHARE CAPITAL

(₹ in Lakhs)

| Particulars                               | As at<br>31st March, 2021 |                 | As at<br>31st March, 2020 |                 |
|---|---------------------------|-----------------|---------------------------|-----------------|
|   | No. of<br>Shares          | ₹ in lakhs      | No. of<br>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        |
| <b>Total</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        | 1,18,86,174               | 1,188.62        |
| <b>Fully Paid-up</b>                      |                           |                 |                           |                 |
| Equity Shares, ₹ 10/- par value per share | 1,18,80,000               | 1,188.00        | 1,18,80,000               | 1,188.00        |
| <b>Forfeited Shares</b>                   |                           |                 |                           |                 |
|   | 6,174                     | 0.17            | 6,174                     | 0.17            |
| <b>Total</b>                              | -                         | <b>1,188.17</b> | -                         | <b>1,188.17</b> |

### a. Reconciliation of the Number of Equity Shares outstanding

(₹ in Lakhs)

| Particulars  | As at<br>31st March, 2021 |                 | As at<br>31st March, 2020 |                 |
|--|---------------------------|-----------------|---------------------------|-----------------|
|  | No. of<br>Shares          | ₹ in lakhs      | No. of<br>Shares          | ₹ in lakhs      |
| At the beginning of the year                             | 1,18,80,000               | 1,188.00        | 1,13,40,000               | 1,134.00        |
| Add: Issued during the year [refer Note No. 17(e) below] | -                         | -               | 5,40,000                  | 54.00           |
| At the end of the year                                   | <b>1,18,80,000</b>        | <b>1,188.00</b> | <b>1,18,80,000</b>        | <b>1,188.00</b> |



## Notes to Financial Statements as at and for the year ended 31st March, 2021 (Contd.)

### 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, 2021)

The Company has not issued any Equity shares during the 5 year preceding 31st March, 2021 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:

(₹ in Lakhs)

| Particulars                                | As at<br>31st March, 2021 |            | As at<br>31st March, 2020 |            |
|--|---------------------------|------------|---------------------------|------------|
|  | No. of<br>Shares          | ₹ in lakhs | No. of<br>Shares          | ₹ in lakhs |
| Ashika Global Securities Pvt. Ltd.         | 32,13,699                 | 27.05      | 32,13,699                 | 27.05      |
| Pawan Jain (HUF)                           | 7,89,000                  | 6.64       | 7,89,000                  | 6.64       |
| Ashika Commodities & Derivatives Pvt. Ltd. | 7,87,709                  | 6.63       | -                         | -          |

### 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 31 - Capital for the Company's objectives, policies and processes for managing capital.

## Notes to Financial Statements as at and for the year ended 31st March, 2021 (Contd.)

### 18. OTHER EQUITY

(₹ in Lakhs)

| Particulars   | As at<br>31st March, 2021 | As at<br>31st March, 2020 |
|---|---------------------------|---------------------------|
| <b>Statutory Reserve (pursuant to Section 45-IC of The Reserve Bank of India Act, 1934)</b>               |                           |                           |
| Opening balance   | 335.66                    | 335.66                    |
| Add: Transferred from retained earnings   | 32.70                     | -                         |
| <b>Closing balance</b>  | <b>368.36</b>             | <b>335.66</b>             |
| <b>Securities Premium Account</b>   |                           |                           |
| Opening balance   | 3,362.01                  | 3,221.61                  |
| Add: On account of issue of equity shares [refer Note No. 17(e)]  | -                         | 140.40                    |
| <b>Closing balance</b>  | <b>3,362.01</b>           | <b>3,362.01</b>           |
| <b>Retained Earnings</b>  |                           |                           |
| Opening balance   | (257.60)                  | 132.84                    |
| Add: Net profit for the year  | 163.49                    | (253.93)                  |
| Add: Other Comprehensive Income (net of tax)  | 1.29                      | 0.20                      |
| Amount available for appropriation  | <b>(92.82)</b>            | <b>(120.89)</b>           |
| <b>Appropriations:</b>  |                           |                           |
| Less: Transferred to Statutory Reserve (Pursuant to Section 45-IC of the Reserve Bank of India Act, 1934) | 32.70                     | -                         |
| Less: Equity Dividend [amount ₹ Nil per share (31st March, 2020: ₹ 1.00 per share)]                       | -                         | 113.40                    |
| Less: Corporate Dividend Tax  | -                         | 23.31                     |
| <b>Closing balance</b>  | <b>(125.52)</b>           | <b>(257.60)</b>           |
| <b>Money received against Share Warrants</b>  |                           |                           |
| Opening balance   | -                         | 48.60                     |
| Less: On account of issue of equity shares [refer Note No. 17(e)]   | -                         | 48.60                     |
| <b>Closing balance</b>  | <b>-</b>                  | <b>-</b>                  |
| <b>Total</b>  | <b>3,604.85</b>           | <b>3,440.07</b>           |

#### Nature and Purpose of Reserves

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

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

##### (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.

## Notes to Financial Statements as at and for the year ended 31st March, 2021 (Contd.)

### 19. INTEREST INCOME

(₹ in Lakhs)

| Particulars       | Year ended 31st March, 2021                            |  |   | Total         |
|-------------------|--|--|---|---------------|
|                   | 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 |               |
| Interest on Loans | -  | 652.12   | -   | 652.12        |
| <b>Total</b>      | -  | <b>652.12</b>                                  | -   | <b>652.12</b> |

(₹ in Lakhs)

| Particulars       | Year ended 31st March, 2020                            |  |   | Total         |
|-------------------|--|--|---|---------------|
|                   | 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 |               |
| Interest on Loans | -  | 691.16   | -   | 691.16        |
| <b>Total</b>      | -  | <b>691.16</b>                                  | -   | <b>691.16</b> |

### 20. NET GAIN ON FAIR VALUE CHANGES

(₹ in Lakhs)

| Particulars                                     | Year ended 31st March, 2021  | Year ended 31st March, 2020 |
|---|--|-----------------------------|
|   | 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>                |

### 21. OTHER INCOME

(₹ in Lakhs)

| Particulars                               | Year ended 31st March, 2021   | Year ended 31st March, 2020 |
|---|-------------------------------|-----------------------------|
|   | Interest on income tax refund | 1.89                        |
| Liability No Longer Required written back | -                             | 0.01                        |
| Bad debt recovery                         | 30.00                         | 10.00                       |
| Other Non-Operating Income                | -                             | 0.09                        |
| <b>Total</b>                              | <b>31.89</b>                  | <b>13.31</b>                |

## Notes to Financial Statements as at and for the year ended 31st March, 2021 (Contd.)

### 22. FINANCE COSTS

(₹ in Lakhs)

| Particulars   | As at 31st March, 2021   |   |          | As at 31st March, 2020   |   |              |
|---|--|---|----------|--|---|--------------|
|   | On Financial liabilities measured at fair value through profit or loss | On Financial Liabilities measured at Amortised Cost | Total    | On Financial Liabilities measured at fair value through profit or loss | On Financial Liabilities measured at Amortised Cost | Total        |
| Interest on borrowings (other than debt securities) |  |   |          |  |   |              |
| Loans repayable on demand                           |  |   |          |  |   |              |
| - from related parties                              | -  | -   | -        | 27.91  | -   | 27.91        |
| - from financial institutions                       | -  | -   | -        | -  | -   | -            |
| Inter-corporate deposits                            | -  | -   | -        | 13.15  | -   | 13.15        |
| Other Interest Expense                              |  |   |          |  |   |              |
| -Income Tax   | -  | -   | -        | -  | -   | 5.14         |
| <b>Total</b>  | <b>-</b>   | <b>-</b>  | <b>-</b> | <b>41.06</b>   | <b>-</b>  | <b>46.20</b> |

### 23. IMPAIRMENT ON FINANCIAL INSTRUMENTS (NET)

(₹ in Lakhs)

| Particulars                 | As at 31st March, 2021                                      |   | As at 31st March, 2020                                      |   |
|-----------------------------|---|---|---|---|
|                             | 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. 23.1) | -   | 295.39  | -   | 660.03  |
| <b>Total</b>                | <b>-</b>  | <b>295.39</b>                                       | <b>-</b>  | <b>660.03</b>                                       |

#### 23.1 Impairment on Loans

(₹ in Lakhs)

| Particulars              | As at 31st March, 2021                                      |   | As at 31st March, 2020                                      |   |
|--------------------------|---|---|---|---|
|                          | 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    | -   | 570.93  | -   | -   |
| Provision for Impairment | -   | (275.54)  | -   | 660.03  |
| <b>Total</b>             | <b>-</b>  | <b>295.39</b>                                       | <b>-</b>  | <b>660.03</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, 2021

(₹ in Lakhs)

| Particulars  | General Approach   |                    |                    | Total           |
|--------------|--------------------|--------------------|--------------------|-----------------|
|              | Stage 1 Collective | Stage 2 Collective | Stage 3 Collective |                 |
| Loans        | (17.05)            | 2.64               | (261.14)           | (275.54)        |
| <b>Total</b> | <b>(17.05)</b>     | <b>2.64</b>        | <b>(261.14)</b>    | <b>(275.54)</b> |

## Notes to Financial Statements as at and for the year ended 31st March, 2021 (Contd.)

Year ended 31st March, 2020

(₹ in Lakhs)

| Particulars  | General Approach      |                       |                       | Total         |
|--------------|-----------------------|-----------------------|-----------------------|---------------|
|              | Stage 1<br>Collective | Stage 2<br>Collective | Stage 3<br>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> |

### 24. EMPLOYEE BENEFITS EXPENSES

(₹ in Lakhs)

| Particulars                               | Year ended<br>31st March, 2021 | Year ended<br>31st March, 2020 |
|---|--------------------------------|--------------------------------|
| Salaries, Allowances and Bonus            | 79.86                          | 272.40                         |
| Contribution to Provident and Other Funds | 2.99                           | 8.95                           |
| Staff Welfare Expenses                    | 0.52                           | 0.75                           |
| <b>Total</b>                              | <b>83.37</b>                   | <b>282.10</b>                  |

### 25. OTHER EXPENSES

(₹ in Lakhs)

| Particulars  | Year ended<br>31st March, 2021 | Year ended<br>31st March, 2020 |
|--|--------------------------------|--------------------------------|
| Rent, taxes and energy costs                                   | 7.71                           | 9.17                           |
| Repairs and Maintenance  | 4.38                           | 4.80                           |
| Communication Costs  | 0.09                           | -                              |
| Printing and Stationery  | 0.57                           | 1.21                           |
| Advertisement and Publicity                                    | 1.17                           | 1.39                           |
| Business Promotion Expenses                                    | 1.98                           | 2.37                           |
| Fees and Subscriptions   | 3.63                           | 3.42                           |
| Directors' Sitting Fees  | 4.25                           | 4.96                           |
| Payments to the Auditor (refer Note No. 25.1)                  | 12.63                          | 20.82                          |
| Legal and Professional Charges                                 | 6.70                           | 14.72                          |
| Travelling and Conveyance                                      | 1.98                           | 10.41                          |
| Corporate Social Responsibility Expenses (refer Note No. 25.2) | 10.00                          | 11.51                          |
| Postage and Courier  | 0.14                           | 0.34                           |
| Net loss on derecognition of property, plant and equipment     | -                              | 0.32                           |
| Insurance  | 0.64                           | -                              |
| Other Expenditure  | 1.55                           | 1.22                           |
| <b>Total</b>   | <b>57.42</b>                   | <b>86.66</b>                   |

#### 25.1 Payments to the Auditor (including GST):

(₹ in Lakhs)

| Particulars                               | Year ended<br>31st March, 2021 | Year ended<br>31st March, 2020 |
|---|--------------------------------|--------------------------------|
| As Auditor                                |                                |                                |
| -For Statutory Audit and Limited Reviews  | 8.85                           | 15.48                          |
| -For Other Services (Certifications etc.) | 1.48                           | 2.66                           |
| -For Taxation Matter -Tax Audit Fees      | 1.77                           | 1.77                           |
| -For Reimbursement of Expenses            | 0.53                           | 0.91                           |
| <b>Total</b>                              | <b>12.63</b>                   | <b>20.82</b>                   |

## Notes to Financial Statements as at and for the year ended 31st March, 2021 (Contd.)

### 25.2 Corporate Social Responsibility Expenses:

(₹ in Lakhs)

| Particulars                                       | Year ended<br>31st March, 2021 | Year ended<br>31st March, 2020 |
|---|--------------------------------|--------------------------------|
| Gross amount required to be spent during the year | 7.88                           | 11.50                          |
| Amount spent during the year                      |                                |                                |
| - Construction / acquisition of any asset         | -                              | -                              |
| - On purposes other than above                    | 10.00                          | 11.51                          |
| Paid in cash                                      | 10.00                          | 11.51                          |
| Yet to be paid in cash                            | -                              | -                              |
| <b>Total</b>                                      | <b>10.00</b>                   | <b>11.51</b>                   |

### 26. EARNINGS PER SHARE (EPS)

(₹ in Lakhs)

| Particulars  | Year ended<br>31st March, 2021 | Year ended<br>31st March, 2020 |
|--|--------------------------------|--------------------------------|
| <b>Profit after tax attributable to Equity Shareholders (₹ in lakhs) - A</b> | 163.49                         | (253.93)                       |
| Basic and Diluted  |                                |                                |
| (a) Number of Equity Shares at the beginning of the year                     | 1,18,80,000                    | 1,13,40,000                    |
| (b) Number of Equity Shares issued during the year                           | -                              | 5,40,000                       |
| (c) Number of Equity Shares at the end of the year                           | 1,18,80,000                    | 1,18,80,000                    |
| (d) Weighted average number of Equity Shares outstanding during the year - B | 1,18,80,000                    | 1,16,94,098                    |
| (e) Nominal Value of each Equity Share (₹)                                   | 10                             | 10                             |
| <b>Basic and Diluted Earnings per Equity Share (₹) (A/B) (₹)</b>             | <b>1.38</b>                    | <b>(2.17)</b>                  |

### 27. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ in Lakhs)

| Particulars   | As at<br>31st March, 2021 | As at<br>31st March, 2020 |
|---|---------------------------|---------------------------|
| <b>Contingent Liabilities</b>   |                           |                           |
| Claims against the Company not acknowledged as debts:   |                           |                           |
| Income Tax [include deposits made under protests 31st March, 2021: ₹ 6.30 lakhs (31st March, 2020: ₹ 6.30 lakhs)] | 30.50                     | 30.50                     |
| <b>Total</b>  | <b>30.50</b>              | <b>30.50</b>              |

### 28. 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 ₹ 2.99 Lakhs (Previous year: ₹ 8.95 Lakhs) for the year ended 31st March, 2021 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.



## Notes to Financial Statements as at and for the year ended 31st March, 2021 (Contd.)

### 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.

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

(₹ in Lakhs)

| Particulars   | Gratuity                  |                           |
|---|---------------------------|---------------------------|
|   | As at<br>31st March, 2021 | As at<br>31st March, 2020 |
| <b>Amounts recognised in the statement of profit and loss in respect of defined benefit plans are as follows:</b> |                           |                           |
| Current Service Cost  | 2.68                      | 2.99                      |
| Net Interest Expense  | 1.58                      | 1.55                      |
| Immediate recognition of (gains)/losses - other long term employee benefit plans                                  | -                         | -                         |
| <b>Components of defined benefit costs recognised in statement of profit and loss (A)</b>                         | <b>4.26</b>               | <b>4.54</b>               |
| <b>Remeasurement of gains / (losses) in other comprehensive income:</b>   |                           |                           |
| Actuarial changes arising from changes in financial assumptions   | (0.63)                    | 1.94                      |
| Actuarial changes arising from changes in Experience adjustments  | (1.12)                    | (2.22)                    |
| <b>Components of defined benefit costs recognised in other comprehensive income (B)</b>                           | <b>(1.75)</b>             | <b>(0.28)</b>             |
| <b>Total (A+B)</b>  | <b>2.51</b>               | <b>4.26</b>               |

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

(₹ in Lakhs)

| Particulars   | Gratuity                  |                           |
|---|---------------------------|---------------------------|
|   | As at<br>31st March, 2021 | As at<br>31st March, 2020 |
| <b>Change in the Defined Benefit Obligations</b>                        |                           |                           |
| Present value of defined obligation at the beginning of the year        | 24.31                     | 20.05                     |
| <b>Expenses recognised in the statement of profit and loss:</b>         |                           |                           |
| Current Service Cost  | 2.68                      | 2.99                      |
| Interest Expense / (Income)   | 1.58                      | 1.55                      |
| Direct Benefit Payment  | (0.48)                    | -                         |
| Remeasurement losses / (gains) recognised in Other Comprehensive Income | (1.75)                    | (0.28)                    |
| <b>Present value of defined obligation at the end of the year</b>       | <b>26.34</b>              | <b>24.31</b>              |

Calculation of Benefit Liability / (Asset):

(₹ in Lakhs)

| Particulars                       | Gratuity                  |                           |
|-----------------------------------|---------------------------|---------------------------|
|                                   | As at<br>31st March, 2021 | As at<br>31st March, 2020 |
| <b>Defined benefit obligation</b> | 26.34                     | 24.31                     |
| Fair value of plan assets         | -                         | -                         |
| <b>Benefit Liability</b>          | <b>26.34</b>              | <b>24.31</b>              |

## Notes to Financial Statements as at and for the year ended 31st March, 2021 (Contd.)

The principal assumptions used are as follows:

(₹ in Lakhs)

| Particulars                       | As at   | As at            |
|-----------------------------------|---|------------------|
|                                   | 31st March, 2021  | 31st March, 2020 |
| Discount rate (%)                 | 6.90  | 6.50             |
| Salary growth rate (%)            | 6.00  | 6.00             |
| Withdrawal rates based on age (%) | Varying between 8% and 1% per annum depending upon the duration and age of the employees. |                  |
| Mortality                         | 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.

(₹ in Lakhs)

| Particulars           | Gratuity         |                  |
|-----------------------|------------------|------------------|
|                       | As at            | As at            |
|                       | 31st March, 2021 | 31st March, 2020 |
| Discount Rate + 1%    | (1.45)           | (1.64)           |
| Discount Rate - 1%    | 1.62             | 1.86             |
| Salary Escalation +1% | 1.75             | 1.85             |
| Salary Escalation -1% | (1.59)           | (1.66)           |

### Maturity Analysis of The Benefit Payments

#### a) Gratuity

(₹ in Lakhs)

| Particulars  | Gratuity         |                  |
|--------------|------------------|------------------|
|              | As at            | As at            |
|              | 31st March, 2021 | 31st March, 2020 |
| Year 1       | 0.84             | 0.90             |
| Year 2       | -                | 0.82             |
| Year 3       | -                | 0.98             |
| Year 4       | -                | 1.16             |
| Year 5       | 34.62            | 1.32             |
| Next 5 Years | -                | 34.10            |

The weighted average duration of defined benefit obligation is 4.91 years (31st March, 2020: 7 years)

## Notes to Financial Statements as at and for the year ended 31st March, 2021 (Contd.)

### 29. LEASE DISCLOSURE

#### In the capacity of Lessee

The Company has cancellable operating lease arrangements for office premises and therefore has not recognised a right-of-use asset and a lease liability with regard to these lease arrangements in accordance with Ind AS 116 'Leases'. Lease payments recognised in the Statement of Profit and Loss with respect to such arrangements aggregate to ₹ 4.82 lakhs (Previous year: ₹ 4.82 lakhs).

### 30. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled:

(₹ in Lakhs)

| Particulars                   | As at 31st March, 2021 |                 |                 | As at 31st March, 2020 |                 |                 |
|-------------------------------|------------------------|-----------------|-----------------|------------------------|-----------------|-----------------|
|                               | 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     | 234.26                 | -               | 234.26          | 74.09                  | -               | 74.09           |
| Bank Balance other than above | 19.73                  | -               | 19.73           | 19.73                  | -               | 19.73           |
| Loans                         | 2,022.32               | 2,217.79        | 4,240.11        | 3,003.63               | 1,205.37        | 4,209.00        |
| Investments                   | -                      | 0.01            | 0.01            | -                      | 0.01            | 0.01            |
| Other Financial Assets        | 1.60                   | 0.33            | 1.93            | 1.60                   | 0.33            | 1.93            |
| <b>Non-Financial Assets</b>   |                        |                 |                 |                        |                 |                 |
| Current Tax Assets (net)      | -                      | 146.35          | 146.35          | -                      | 97.91           | 97.91           |
| Deferred Tax Assets (net)     | -                      | 192.05          | 192.05          | -                      | 290.27          | 290.27          |
| Investment Property           | -                      | 12.56           | 12.56           | -                      | 12.76           | 12.76           |
| Property, Plant and Equipment | -                      | 4.88            | 4.88            | -                      | 5.17            | 5.17            |
| Other Non-Financial Assets    | 0.55                   | 10.75           | 11.30           | 1.26                   | 10.85           | 12.11           |
| <b>Total Assets</b>           | <b>2,278.46</b>        | <b>2,584.72</b> | <b>4,863.18</b> | <b>3,100.31</b>        | <b>1,622.67</b> | <b>4,722.98</b> |

(₹ in Lakhs)

| Particulars   | As at 31st March, 2021 |                 |       | As at 31st March, 2020 |                 |       |
|---|------------------------|-----------------|-------|------------------------|-----------------|-------|
|   | 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 | -                      | -               | -     | -                      | -               | -     |
| Other Financial Liabilities   | 42.45                  | -               | 42.45 | 35.03                  | -               | 35.03 |

## Notes to Financial Statements as at and for the year ended 31st March, 2021 (Contd.)

(₹ in Lakhs)

| Particulars                      | As at 31st March, 2021 |                 |                 | As at 31st March, 2020 |                 |                 |
|----------------------------------|------------------------|-----------------|-----------------|------------------------|-----------------|-----------------|
|                                  | Within 12 Months       | After 12 Months | Total           | Within 12 Months       | After 12 Months | Total           |
| <b>Non-Financial Liabilities</b> |                        |                 |                 |                        |                 |                 |
| Current Tax Liabilities (net)    | -                      | -               | -               | 25.66                  | -               | 25.66           |
| Provisions                       | 0.84                   | 25.50           | 26.34           | 0.87                   | 23.44           | 24.31           |
| Other Non-Financial Liabilities  | 1.37                   | -               | 1.37            | 9.74                   | -               | 9.74            |
| <b>Total Liabilities</b>         | <b>44.66</b>           | <b>25.50</b>    | <b>70.16</b>    | <b>71.30</b>           | <b>23.44</b>    | <b>94.74</b>    |
| <b>Net</b>                       | <b>2,233.80</b>        | <b>2,559.22</b> | <b>4,793.02</b> | <b>3,029.01</b>        | <b>1,599.23</b> | <b>4,628.24</b> |

### 31. 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.

### 32. 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, 2021 |                 | As at 31st March, 2020 |                 |
|---|------------------------|-----------------|------------------------|-----------------|
|   | Carrying Value         | Fair Value      | Carrying Value         | Fair Value      |
| <b>Financial Assets</b>                                 |                        |                 |                        |                 |
| <b>a) Measured at Amortised Cost</b>                    |                        |                 |                        |                 |
| i) Cash and Cash Equivalents                            | 234.26                 | 234.26          | 74.09                  | 74.09           |
| ii) Bank Balance other than above                       | 19.73                  | 19.73           | 19.73                  | 19.73           |
| iii) Loans  | 4,240.11               | 4,268.12        | 4,209.00               | 4,208.02        |
| iv) Other Financial Assets                              | 1.93                   | 1.93            | 1.93                   | 1.93            |
| <b>Sub-total</b>  | <b>4,496.03</b>        | <b>4,524.04</b> | <b>4,304.75</b>        | <b>4,303.77</b> |
| <b>b) Measured at Fair value through Profit or Loss</b> |                        |                 |                        |                 |
| i) Investments  | 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>Total Financial Assets</b>                           | <b>4,496.04</b>        | <b>4,524.05</b> | <b>4,304.76</b>        | <b>4,303.78</b> |

## Notes to Financial Statements as at and for the year ended 31st March, 2021 (Contd.)

(₹ in Lakhs)

| Particulars   | As at 31st March, 2021 |              | As at 31st March, 2020 |              |
|---|------------------------|--------------|------------------------|--------------|
|   | Carrying Value         | Fair Value   | Carrying Value         | Fair Value   |
| <b>Financial Liabilities</b>  |                        |              |                        |              |
| <b>a) Measured at Amortised cost</b>  |                        |              |                        |              |
| i) Payables   | -                      | -            | -                      | -            |
| (I) Trade Payables  |                        |              |                        |              |
| (i) Total outstanding dues of micro enterprises and small enterprises                       | -                      | -            | -                      | -            |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | -                      | -            | -                      | -            |
| (II) Other Payables   |                        |              |                        |              |
| (i) Total outstanding dues of micro enterprises and small enterprises                       | -                      | -            | -                      | -            |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | -                      | -            | -                      | -            |
| ii) Other Financial Liabilities   | 42.45                  | 42.45        | 35.03                  | 35.03        |
| <b>Total Financial Liabilities</b>  | <b>42.45</b>           | <b>42.45</b> | <b>35.03</b>           | <b>35.03</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 therefore, the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value.

### Other financial liabilities measured at Amortised Cost

Other financial liabilities have liability with short-term maturity (less than twelve months) as on balance sheet date and therefore, the carrying amounts are a reasonable approximation of their fair value.

## B) Fair Value Hierarchy

The following details 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.

## Notes to Financial Statements as at and for the year ended 31st March, 2021 (Contd.)

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

### 33. 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, 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, 2021 |                 |                 |                 |
|-----------------------------------|------------------------|-----------------|-----------------|-----------------|
|                                   | Less than 3 months     | 3 to 12 months  | > 12 months     | Total           |
| <b>Financial Assets</b>           |                        |                 |                 |                 |
| i) Cash and Cash Equivalents      | 234.26                 | -               | -               | 234.26          |
| ii) Bank Balance other than above | 19.73                  | -               | -               | 19.73           |
| iii) Loans                        | 567.83                 | 1,855.87        | 2,469.58        | 4,893.28        |
| iv) Investments                   | -                      | -               | 0.01            | 0.01            |
| v) Other Financial Assets         | -                      | 1.60            | 0.33            | 1.93            |
| <b>Total</b>                      | <b>821.82</b>          | <b>1,857.47</b> | <b>2,469.92</b> | <b>5,149.21</b> |



## Notes to Financial Statements as at and for the year ended 31st March, 2021 (Contd.)

(₹ in Lakhs)

| Particulars   | As at 31st March, 2021 |                |             |              |
|---|------------------------|----------------|-------------|--------------|
|   | Less than 3 months     | 3 to 12 months | > 12 months | Total        |
| <b>Financial Liabilities</b>  |                        |                |             |              |
| i) Payables   | -                      | -              | -           | -            |
| (I) Trade Payables  | -                      | -              | -           | -            |
| (i) Total outstanding dues of micro enterprises and small enterprises                       | -                      | -              | -           | -            |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | -                      | -              | -           | -            |
| (II) Other Payables   |                        |                |             |              |
| (i) Total outstanding dues of micro enterprises and small enterprises                       | -                      | -              | -           | -            |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | -                      | -              | -           | -            |
| ii) Other Financial Liabilities   | 42.45                  | -              | -           | 42.45        |
| <b>Total</b>  | <b>42.45</b>           | <b>-</b>       | <b>-</b>    | <b>42.45</b> |

(₹ 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 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   | -                      | -               | -               | -               |
| (I) Trade Payables  | -                      | -               | -               | -               |
| (i) Total outstanding dues of micro enterprises and small enterprises                       | -                      | -               | -               | -               |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | -                      | -               | -               | -               |
| (II) Other Payables   |                        |                 |                 |                 |
| (i) Total outstanding dues of micro enterprises and small enterprises                       | -                      | -               | -               | -               |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | -                      | -               | -               | -               |
| ii) Other Financial Liabilities   | 35.03                  | -               | -               | 35.03           |
| <b>Total</b>  | <b>35.03</b>           | <b>-</b>        | <b>-</b>        | <b>35.03</b>    |

### 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

## Notes to Financial Statements as at and for the year ended 31st March, 2021 (Contd.)

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

(₹ in Lakhs)

| Particulars               | As at            | Corporate | Others   | Total    |
|---------------------------|------------------|-----------|----------|----------|
| <b>Financial Assets</b>   | 31st March, 2021 | 1,609.66  | 2,630.45 | 4,240.11 |
| Loans (Net of Impairment) | 31st March, 2020 | 2,685.20  | 1,523.80 | 4,209.00 |

### 34. 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-Excecutive Director*                    |
| Suparna Sengupta                | Non-Excecutive Director*                    |
| Sonu Jain (w.e.f. 01/04/2019)   | Non-Excecutive Director*                    |

\*Also Independent

#### (iv) Enterprises controlled or jointly controlled or under significant influence of KMP and / or close family members of KMP (with whom transactions have taken place during the year)

Ashika Global Finance Pvt. Ltd.

Puja Sales Promotion Pvt. Ltd.

Pawan Jain (HUF)

## Notes to Financial Statements as at and for the year ended 31st March, 2021 (Contd.)

### 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, 2021 | Balance Outstanding as at 31st March, 2021 | For the year ended 31st March, 2020 | Balance Outstanding as at 31st March, 2020 |
|--|---|-------------------------------------|--|-------------------------------------|--|
| <b>Entity having significant influence over the Company</b>  |   |                                     |  |                                     |  |
| Ashika Global Securities Pvt. Ltd.   | Issue of Equity Shares (including securities premium) | -                                   | -  | 194.40                              | -  |
|  | Loan Given  | 2,220.00                            | 100.00                                     | 150.00                              | 150.00                                     |
|  | Repayment of Loan Given                               | 2,270.00                            | -  | -                                   | -  |
|  | Interest Income on Loan Given                         | 30.75                               | -  | 0.05                                | 0.04                                       |
| <b>Entities controlled by AGSPL</b>  |   |                                     |  |                                     |  |
| Ashika Stock Broking Ltd.  | Loan Given  | 2,075.00                            | 500.00                                     | 100.00                              | -  |
|  | Repayment of Loan Given                               | 1,575.00                            | -  | 100.00                              | -  |
|  | Interest Income on Loan Given                         | 14.01                               | -  | 0.56                                | 0.50                                       |
|  | Demat Charges   | 0.26                                | 0.01                                       | 0.11                                | 0.00*                                      |
| * Represents figure which is less than ₹ 500 hence appearing zero due to rounding off.   |   |                                     |  |                                     |  |
| <b>Key Management Personnel (KMP)</b>  |   |                                     |  |                                     |  |
| Pawan Jain   | Remuneration  | 0.00*                               | -  | 170.63                              | -  |
| Daulat Jain  | Remuneration  | -                                   | -  | 13.00                               | 0.50                                       |
| Amit Jain  | Advance Given   | -                                   | -  | 1.00                                | -  |
|  | Remuneration  | -                                   | -  | 7.91                                | -  |
| Gaurav Jain  | Remuneration  | 18.00                               | 2.83                                       | 10.88                               | 0.69                                       |
| Anju Mundhra   | Remuneration  | 17.00                               | 2.73                                       | 17.26                               | 0.65                                       |
| Sagar Jain   | Sitting Fees  | 1.20                                | -  | 1.55                                | 0.05                                       |
| Suparna Sengupta   | Sitting Fees  | 1.15                                | -  | 1.10                                | -  |
| Sonu Jain  | Sitting Fees  | 1.25                                | -  | 1.55                                | 0.05                                       |
| * Represents figure which is less than ₹ 500 hence appearing zero due to rounding off.   |   |                                     |  |                                     |  |
| <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 Global Finance Pvt. Ltd.  | Loan Received   | -                                   | -  | 105.00                              | -  |
|  | Repayment of Loan received                            | -                                   | -  | 1,505.00                            | -  |
|  | Interest Expense on Loan Received                     | -                                   | -  | 27.92                               | -  |
| Puja Sales Promotion Pvt. Ltd.   | Security Deposit given for Leased Premises            | -                                   | 0.60                                       | -                                   | 0.60                                       |
|  | Rent-expense for Leased Premises                      | 1.20                                | -  | 1.20                                | -  |
| Pawan Jain (HUF)   | Security Deposit given for Leased Premises            | -                                   | 1.00                                       | -                                   | 1.00                                       |
|  | Office Maintenance-expense for Leased Premises        | 3.62                                | -  | 3.62                                | -  |
|  | Rent-expense for Leased Premises                      | 3.62                                | -  | 3.62                                | -  |

\*\* Expenses incurred for business purpose which are reimbursed by the Company has not been considered above.

## Notes to Financial Statements as at and for the year ended 31st March, 2021 (Contd.)

### 34.1 Compensation to KMPs:

(₹ in Lakhs)

| Particulars                  | Year ended<br>31st March, 2021 | Year ended<br>31st March, 2020 |
|------------------------------|--------------------------------|--------------------------------|
| Short-term employee benefits | 38.60                          | 223.88                         |
| Post-employment benefits     | 2.26                           | 2.15                           |

- 35.** 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.
- 36.** In accordance with the Reserve Bank of India ("RBI") guidelines on 'COVID-19 Regulatory Package' dated 27th March, 2020, 17th April, 2020 and 23rd May, 2020, the Company had granted moratorium to all eligible borrowers upto six months on payment of instalments/ interest, as applicable, falling due between 1st March, 2020 and 31st August, 2020. For all such accounts where the moratorium is granted, the asset classification remained standstill during the moratorium period (i.e. the number of days past-due shall exclude the moratorium period for the purposes of determining whether an asset is non-performing) and the period for which moratorium was granted had not been considered for computing days past due (DPD) as on 31st March, 2021. Extension of such moratorium benefit to borrower as per the Covid-19 Regulatory Package of the RBI and DPD freeze for such period by itself does not automatically trigger a significant increase in credit risk. The Company continues to recognise interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due and automatically triggering change in staging criteria.

Due care has been exercised, in concluding on significant accounting judgements and estimates, including in relation to recoverability of receivables, assessment of impairment on loans etc. based on the information available to date, while preparing the Company's financial statements as of and for the year ended 31st March, 2021.

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

- 37.** 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.
- 38. 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:**

## Notes to Financial Statements as at and for the year ended 31st March, 2021 (Contd.)

(₹ 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                                | 3,746.80                                | 70.38   | 3,676.42            | 9.37                                  | 61.01   |
|  | Stage 2                                | 325.53                                  | 6.11  | 319.42              | 0.81                                  | 5.30  |
| <b>Sub total</b>   |  | <b>4,072.33</b>                         | <b>76.49</b>  | <b>3,995.84</b>     | <b>10.18</b>                          | <b>66.31</b>                                  |
| <b>Non- Performing Assets (NPA)</b>  |  |   |   |                     |                                       |   |
| Sub-standard (a)   | Stage 3                                | <b>668.35</b>                           | <b>424.08</b>   | <b>244.27</b>       | <b>87.85</b>                          | <b>336.23</b>                                 |
| Doubtful - upto 1 year   | Stage 3                                | -                                       | -   | -                   | -                                     | -   |
| 1 to 3 years   | Stage 3                                | -                                       | -   | -                   | -                                     | -   |
| More than 3 years  | Stage 3                                | -                                       | -   | -                   | -                                     | -   |
| <b>Subtotal for Doubtful (b)</b>   |  | -                                       | -   | -                   | -                                     | -   |
| <b>Loss (c)</b>  | Stage 3                                | <b>152.60</b>                           | <b>152.60</b>   | -                   | <b>152.60</b>                         | -   |
| <b>Subtotal for NPA (a+b+c)</b>  |  | <b>820.95</b>                           | <b>576.68</b>   | <b>244.27</b>       | <b>240.45</b>                         | <b>336.23</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> | Stage 1                                | -                                       | -   | -                   | -                                     | -   |
|  | Stage 2                                | -                                       | -   | -                   | -                                     | -   |
|  | Stage 3                                | -                                       | -   | -                   | -                                     | -   |
| <b>Subtotal</b>  |  | -                                       | -   | -                   | -                                     | -   |
|  | <b>Stage 1</b>                         | 3,746.80                                | 70.38   | 3,676.42            | 9.37                                  | 61.01   |
|  | <b>Stage 2</b>                         | 325.53                                  | 6.11  | 319.42              | 0.81                                  | 5.30  |
|  | <b>Stage 3</b>                         | 820.95                                  | 576.68  | 244.27              | 240.45                                | 336.23  |
| <b>Total</b>   | <b>Total</b>                           | <b>4,893.28</b>                         | <b>653.17</b>   | <b>4,240.11</b>     | <b>250.63</b>                         | <b>402.54</b>                                 |

### 39. 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"

(₹ in Lakhs)

| Particulars  | As of 31st March, 2021 |
|--|------------------------|
| Amounts in SMA/overdue categories where the moratorium/deferment was extended*   | 45.60                  |
| Respective amount where asset classification benefit is extended**   | Nil                    |
| Provisions made during quarter ended 31st March, 2021 in terms of paragraph 5 of the above circular***   | Nil                    |
| Provisions adjusted against the respective accounting periods for slippages and the residual provisions in terms of paragraph 6 of the above circular  | Not Applicable         |
| <p>* Outstanding as on 31st March, 2021 on account of SMA Categories cases where moratorium benefit is extended by the Company up to 31st August, 2020.</p> <p>** There are nil accounts as on 31st March, 2021 where asset classification benefit is extended for cases which were entitled to a moratorium until 31st August, 2020, as the asset classification is based the actual performance of the account post moratorium period is over.</p> <p>*** The Company had made adequate provision for impairment loss under ECL model for the year ended 31st March, 2021 (Refer Note No. 36 above).</p> |                        |

## Notes to Financial Statements as at and for the year ended 31st March, 2021 (Contd.)

40. Hon'ble Supreme Court, in a public interest litigation (Gajendra Sharma vs. Union of India & Anr). vide an interim order dated 3rd September, 2020, has directed that accounts which were not declared NPA till 31st August, 2020 shall not be declared as NPA till further orders. However, such accounts had been classified as stage 3 in accordance with Note No. 36 and provision had been made accordingly.

The interim order stood vacated on 23rd March, 2021 vide the judgement of the Hon'ble Supreme Court in the matter of Small Scale Industrial manufacturers Association v/s UOI & Ors. and other connected matters. In accordance with the instructions in paragraph 5 of the RBI circular no. RBI/2021-22/17 DOR. STR. REC. 4/ 21.04.048/ 2021-22, dated 7th April, 2021 issued in this connection, the Company has classified the borrower accounts as per the extant RBI guidelines / IRAC norms for the asset classification and as per ECL model under Ind AS financial statements for the year ended 31st March, 2021.

Further in accordance with the instructions in RBI circular dated 7th April, 2021 on 'Asset Classification and Income Recognition following the expiry of Covid-19 regulatory package', the lending institutions shall refund / adjust 'interest on interest' charged to all borrowers including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. However, the company has not charged any interest on interest on the loans and hence there is no impact of the same on the financial statements year ended 31st March, 2021.

41. 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 41

As per our report of even date attached.

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: 06th May, 2021

**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 Financial Statements as at and for the year ended 31st March, 2021 (Contd.)

(₹ in Lakhs)

| Particulars                          | As at 31st March, 2021 | As at 31st March, 2020 |
|--------------------------------------|------------------------|------------------------|
|                                      | Amount outstanding     | Amount outstanding     |
| <b>Assets Side:</b>                  |                        |                        |
| <b>(5) Break-up of Investments\$</b> |                        |                        |
| Current Investments                  |                        |                        |
| 1. Quoted:                           |                        |                        |
| (i) Shares: (a) Equity               | -                      | -                      |
| (b) Preference                       | -                      | -                      |
| (ii) Debentures and Bonds            | -                      | -                      |
| (iii) Units of Mutual Funds          | -                      | -                      |
| (iv) Government Securities           | -                      | -                      |
| (v) Others                           | -                      | -                      |
| 2. Unquoted:                         |                        |                        |
| (i) Shares: (a) Equity               | -                      | -                      |
| (b) Preference                       | -                      | -                      |
| (ii) Debentures and Bonds            | -                      | -                      |
| (iii) Units of Mutual Funds          | -                      | -                      |
| (iv) Government Securities           | -                      | -                      |
| (v) Others                           | -                      | -                      |
| Long Term Investments:               |                        |                        |
| 1. Quoted:                           |                        |                        |
| (i) Shares: (a) Equity               | -                      | -                      |
| (b) Preference                       | -                      | -                      |
| (ii) Debentures and Bonds            | -                      | -                      |
| (iii) Units of Mutual Funds          | -                      | -                      |
| (iv) Government Securities           | -                      | -                      |
| (v) Others                           | -                      | -                      |
| 2. Unquoted:                         |                        |                        |
| (i) Shares: (a) Equity               | 0.01                   | 0.01                   |
| (b) Preference                       | -                      | -                      |
| (ii) Debentures and Bonds            | -                      | -                      |
| (iii) Units of Mutual Funds          | -                      | -                      |
| (iv) Government Securities           | -                      | -                      |
| (v) Others                           | -                      | -                      |

\$The Company has not disclosed the breakup of investment into Long term investment and current investment as the classification is not required under Ind AS issued by MCA. All investment are considered as Long term investment for above disclosure.

## Notes to Financial Statements as at and for the year ended 31st March, 2021 (Contd.)

### Annexure - I to Notes to Financial Statements (refer Note No. 35)

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, 2021<br>Amount net of provisions* |                 |                 | As at 31st March, 2020<br>Amount net of provisions* |                 |                 |
|---------------------------------|---|-----------------|-----------------|---|-----------------|-----------------|
|                                 | Secured   | Unsecured       | Total           | Secured   | Unsecured       | Total           |
| 1. Related Parties **           |   |                 |                 |   |                 |                 |
| (a) Subsidiaries                | -   | -               | -               | -   | -               | -               |
| (b) Companies in the same group | -   | 588.73          | 588.73          | -   | 147.36          | 147.36          |
| (c) Other related parties       | -   | -               | -               | -   | -               | -               |
| 2. Other than related parties   | 2,728.06  | 923.32          | 3,651.38        | 1,485.53  | 2,576.11        | 4,061.64        |
| <b>Total</b>                    | <b>2,728.06</b>                                     | <b>1,512.05</b> | <b>4,240.11</b> | <b>1,485.53</b>                                     | <b>2,723.47</b> | <b>4,209.00</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, 2021                               |                                      | As at 31st March, 2020                               |                                      |
|---------------------------------|--|--------------------------------------|--|--------------------------------------|
|                                 | Market Value/<br>Break up or<br>fair value or<br>NAV | Book Value<br>(Net of<br>Provisions) | Market Value/<br>Break up or<br>fair value or<br>NAV | Book Value<br>(Net of<br>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, 2021 | As at 31st March, 2020 |
|---|------------------------|------------------------|
|   | Amount                 | Amount                 |
| (i) Gross Non-Performing Assets \$            |                        |                        |
| (a) Related Parties                           | -                      | -                      |
| (b) Other than related parties                | 820.95                 | 822.65                 |
| (ii) Net Non-Performing Assets \$             |                        |                        |
| (a) Related Parties                           | -                      | -                      |
| (b) Other than related parties                | 244.27                 | -                      |
| (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:

- Provisioning Norms shall be applicable as prescribed in Ind AS issued by MCA.
- All Indian Accounting Standards issued by MCA are applicable including for valuation of investments.





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, 7th Floor, Kolkata-700020

Tel: (033) 40102500; Fax: (033) 40102543

Website: [www.ashikagroup.com](http://www.ashikagroup.com); Email: [secretarial@ashikagroup.com](mailto:secretarial@ashikagroup.com)

### NOTICE CONVENING TWENTY EIGHTH ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the *Twenty Eighth Annual General Meeting (AGM)* of the members of Ashika Credit Capital Limited ("the Company") will be held on Saturday the 18th September, 2021 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 31<sup>st</sup> March, 2021 (Standalone) together with the Reports of the Auditors and the Board of Directors thereon.
2. To appoint a Director in place of Mr. Daulat Jain (DIN: 00040088), 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. Daulat Jain, who is liable to retire by rotation, being eligible, seeks re-appointment. The Board recommends his re-appointment. This shall not constitute a break in the office of Mr. Daulat Jain as the Managing Director cum CEO in the Company.

Therefore, the shareholders are requested to consider and if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to Section 152 of the Companies Act, 2013, consent of the members of the Company be and is hereby accorded for re-appointment of Mr. Daulat Jain (DIN: 00040088), Managing Director & CEO, who shall retire by rotation at the ensuing Annual General Meeting and be re-appointed as Director (Managing Director) of the company."

#### 3. APPOINTMENT OF STATUTORY AUDITORS

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

##### a) TO FILL THE CASUAL VACANCY

**"RESOLVED THAT** pursuant to the provisions of Section 139 & 142 and other applicable provisions, if any, of the Companies Act, 2013 read with rules framed thereunder, pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time read with SEBI circular dated 18.10.2019 including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force, on recommendation of Audit Committee and subsequent approval of the Board, consent of the shareholders of the Company be and is hereby accorded for appointment of M/s DMKH & Co, Chartered Accountants (Firm Registration No 116886W) , having a valid Peer review Certificate issued by the Peer Review Board of ICAI, as Statutory Auditors of the Company to fill the casual vacancy in the office of Auditors caused by resignation of M/s Haribhakti & Co., LLP, Statutory Auditors (FRN 103523W/W100048).

**"RESOLVED FURTHER THAT** M/s DMKH & Co, Chartered Accountants (Firm Registration No 116886W) be and is hereby appointed as Statutory Auditor of the company to hold office from 14.08.2021 till the conclusion of ensuing Annual General Meeting at such remuneration plus applicable taxes, and out of pocket expenses, as may be mutually agreed with the Board of Directors.

**"RESOLVED FURTHER THAT** the Board of Directors including committee of the Company be and are hereby authorized to finalize their terms of engagement according to the scope of their services as Statutory Auditors and other permissible assignments, if any, as per relevant, prevailing statutory/ regulatory provisions, as applicable."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company, including any Committee thereof, be and



are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution.”

**b) FOR A PERIOD OF THREE (3) YEARS:**

**“RESOLVED THAT** pursuant to the provisions of Section 139 & 142 and other applicable provisions, if any, of the Companies Act, 2013 read with rules framed there under, and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time read with SEBI circular dated 18.10.2019 including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force, on recommendation of Audit Committee and subsequent approval of the Board, consent of the shareholders of the Company be and is hereby accorded for appointment of M/s DMKH & Co, Chartered Accountants (Firm Registration No 116886W) , having a valid Peer review Certificate issued by the Peer Review Board of ICAI, as Statutory Auditors of the Company for a continuous term of three years from the conclusion of this 28th Annual General Meeting till the conclusion of 31st Annual General Meeting to be held in the year 2024 at such remuneration plus applicable taxes, and out of pocket expenses, as may be mutually agreed with the Board of Directors.

**“RESOLVED FURTHER THAT** the Board of Directors including committee of the Company be and are hereby authorized to finalize their terms of engagement according to the scope of their services as Statutory Auditors and other permissible assignments, if any, as per relevant, prevailing statutory/ regulatory provisions, as applicable.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company, including any Committee thereof, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution.”

**SPECIAL BUSINESS:**

**4. TO RE-APPOINT MS. SUPARNA SENGUPTA (DIN: 07689952) AS INDEPENDENT DIRECTOR OF THE COMPANY FOR A SECOND TERM OF 3 CONSECUTIVE YEARS, NOT LIABLE TO RETIRE BY ROTATION:**

To consider, and if thought fit, to pass with or without modification, the following Resolution as a **SPECIAL RESOLUTION:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), Companies (Appointment and Qualification of Directors) Rules, 2014 and applicable provisions of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and pursuant to recommendation of Nomination & Remuneration committee and subsequent approval of the Board, consent of the shareholders of the company be and is hereby accorded to re-appoint Ms. Suparna Sengupta, (DIN: 07689952), as an Independent Director of the Company, not liable to retire by rotation, for a second term of three consecutive years with effect from 14<sup>th</sup> February, 2021.”

**5. TO RE-APPOINT MS. SONU JAIN (DIN: 07267279) AS INDEPENDENT DIRECTOR OF THE COMPANY FOR A SECOND TERM OF 3 CONSECUTIVE YEARS, NOT LIABLE TO RETIRE BY ROTATION:**

To consider, and if thought fit, to pass with or without modification, the following Resolution as a **SPECIAL RESOLUTION:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), Companies (Appointment and Qualification of Directors) Rules, 2014 and applicable provisions of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and pursuant to recommendation of Nomination & Remuneration committee and subsequent approval of the Board, consent of the shareholders of the company be and is hereby accorded to re-appoint Ms. Sonu Jain, (DIN: 07267279), as an Independent Director of the Company, not liable to retire by rotation, for a second term of three consecutive years with effect from 1<sup>st</sup> April, 2022.”

**6. TO APPOINT MR. AMIT JAIN (DIN: 00040222) AS A NON EXECUTIVE DIRECTOR, LIABLE TO RETIRE BY ROTATION:**

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

**“RESOLVED THAT** pursuant to the recommendation of the Nomination & Remuneration committee and approval of Board, as per the Articles of Association of the Company, and pursuant to the provisions of Sections 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and

Qualification of Directors) Rules, 2014 and Regulation 17 and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force), any other applicable law(s), regulation(s), guideline(s), Mr. Amit Jain (DIN: 00040222), who was appointed as an Additional (Non-Executive) Director of the Company with effect from 4<sup>th</sup> August, 2021 and who hold office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 and being eligible and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of a Director and who is eligible for appointment as a Director of the Company, liable to retire by rotation, be and is hereby approved.

**“RESOLVED FURTHER THAT** any of the Directors of the Company or Company Secretary, be and are hereby severally authorised to file E-Form with the Registrar of Companies, Kolkata and make intimation to authorities, as required .”

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

**(Anju Mundhra)**

Company Secretary

Membership no: F6686

Date: 12.08.2021

Place: Kolkata

#### NOTES:

1. In view of Covid-19 pandemic, social distancing norms and restrictions on movement of persons at several places in the country, and pursuant to General Circular Nos. 14/2020, 17/2020, 20/2020 and 02/2021 dated April 8, 2020, April 13, 2020, May 5, 2020 and January 13, 2021, respectively issued by the Ministry of Corporate Affairs ('MCA') (collectively referred to as 'MCA Circulars') and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated May 12, 2020 and January 15, 2021, respectively issued by the Securities and Exchange Board of India (collectively referred to as 'SEBI Circulars') permitted the holding of the Annual General Meeting ('AGM') through VC/OAVM, without the physical presence of the Members. In compliance with the provisions of the Companies Act, 2013 ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulations'), MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC/ OAVM which does not require physical presence of members at a common venue. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.
2. Since this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with in line with the MCA Circulars and the SEBI Circulars. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. An Explanatory Statement, pursuant to Section 102(1) of the Act, relating to Special Business set out under Item Nos. 3,4,5,6 of the accompanying Notice are annexed hereto. Information under Regulation 26(4) and 36(3) of SEBI (LODR) Regulations, 2015 and amendments thereof and as required under Secretarial Standards on General Meeting (SS-2), issued by the Institute of Company Secretaries of India, in respect of Directors proposed to be appointed/re-appointed at this AGM is provided in the Annexure to this Notice.
4. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorisation etc., authorising its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-Voting. The said Resolution/Authorisation shall be sent to the Scrutinizer by e-mail through its registered e-mail address at [goenkamohan@gmail.com](mailto:goenkamohan@gmail.com) with a copy marked at [evoting@nsdl.co.in](mailto: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 Saturday, 11<sup>th</sup> September, 2021 till Saturday, 18<sup>th</sup> September, 2021 (both days inclusive).
7. In compliance with the aforesaid MCA Circulars and SEBI Circulars, the Notice of the AGM is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/DPs. Members may

note that the Notice of the AGM and the Annual Report for the Financial Year 2020-2021 will also be available on the Company's website at [www.ashikagroup.com](http://www.ashikagroup.com), websites of the Stock Exchanges where the company shares are listed and traded, viz., [www.bseindia.com](http://www.bseindia.com), [www.msei.in](http://www.msei.in) and [www.cse-india.com](http://www.cse-india.com), and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com). Members may also note that pursuant to Sections 101 and 136 of the Act read with the Rules framed thereunder, the Notice calling the AGM along with the Annual Report for the Financial Year 2020-2021 is being sent by electronic mode to those Members whose e-mail addresses are registered with the DPs or the Company/RTA.

8. Members are requested to notify immediately the change of their name, postal address, email address, mobile number, PAN, Nomination and bank particulars to their DP if the shares are held by them in electronic form and to the R & T Agent of the Company i.e. Maheshwari Datamatics Pvt Ltd if shares are held in physical form. 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. Members seeking any information with regard to Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Act and relevant documents referred to in the accompanying Notice and in the Explanatory Statement are requested to write to the Company till **5:00 p.m., Monday, 13<sup>th</sup> day of September, 2021** through e-mail on [secretarial@ashikagroup.com](mailto:secretarial@ashikagroup.com). The same will be replied by the Company suitably.
10. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. 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 are requested to submit the said details to their DP in case the shares are held by them in electronic form and to RTA in case the shares are held in physical form..
11. As per Regulation 40 of the Listing Regulations, securities of the listed companies can only be transferred in demat form with effect from April 1, 2019, except in case of request for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holding to demat form. Members can contact the Company or RTA for assistance in this regard.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of PAN and bank account details for all investors holding shares in physical and electronic mode. Members holding shares in electronic form, are therefore, requested to submit their PAN to their respective DPs. Members holding shares in physical form shall submit their details to RTA, M/s. Maheshwari Datamatics Pvt Ltd through email at [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com). Members may please note that SEBI has made PAN as the sole identification number for all participants transacting in the securities market, irrespective of the amount of such transactions. Members may please note that SEBI has also made it mandatory for submission of PAN in the following cases: (i) Deletion of name of the deceased shareholder(s) (ii) Transmission of shares to the legal heir(s) and (iii) Transposition of shares.
13. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or MDPL, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
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 years from the Company's Registrar & Share Transfer Agent, M/s Maheshwari Datamatics Pvt Ltd having office at 23, R.N.Mukherjee Road, 5<sup>th</sup> 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).

Pursuant to the provisions of IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ('IEPF Rules'), the Company has uploaded on the 5th September 2020 (Last AGM date) the details of unpaid and unclaimed amounts lying with the Company as on 31st March 2020, the financial year whose accounts were adopted in the relevant AGM on the website of the Company at [www.ashikagroup.com](http://www.ashikagroup.com) and also on the website of the Ministry of Corporate Affairs at [www.mca.gov.in](http://www.mca.gov.in)

16. Members are requested to quote their Folio numbers / DP Id and Client Id in all communication / correspondence with the Company or its RTA. All documents, transfers, dematerialization requests and other communications in relation thereto should be addressed directly to the Company's Registrar and Transfer Agent, Maheshwari Datamatics Pvt Ltd, at the address mentioned below:

**MAHESHWARI DATAMATICS PVT LTD**  
**Registrar and Share Transfer Agent**  
**23, R.N.Mukherjee Road, 5<sup>th</sup> Floor**  
**Kolkata – 700001**

17. 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:**

18. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Secretarial Standards on General Meetings ('SS-2') issued by the ICSI and Regulation 44 of the Listing Regulations read with the MCA Circulars & the SEBI Circulars, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below along-with facility for those Members participating in the AGM to cast vote through e-Voting system during the AGM.
19. The Voting rights of members shall be in proportion to their shares in the paid up- equity share capital of the company as on cut off date, i.e. **Saturday, 11th day of September, 2021**. A person who is not a Member on the cut-off date should accordingly treat this Notice as for information purposes only.
20. The remote e-voting period commences on **Wednesday, the 15th day of September, 2021 (9.00.A.M. IST) and ends on Friday, the 17<sup>th</sup> day of September, 2021 (5.00 P.M. IST)**. During this period, members of the Company, holding shares as on the cut-off date i.e. **Saturday, 11th day of September, 2021**, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently or cast the vote again. The facility for voting through electronic voting system shall also be made available during the AGM. Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to cast their vote through e-voting during the AGM.
21. 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.
22. The details of the procedure and manner for remote e-voting /joining the Twenty-Eighth AGM, are explained herein below :

**How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

**Step 1: ACCESS TO NSDL E-VOTING SYSTEM**

**A) Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to

update their mobile number and e-mail ID with their DPs in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders   | Login Method   |
|--|--|
| <p>Individual Shareholders holding securities in demat mode with NSDL.</p> | <p><b>A. NSDL IDeAS facility</b></p> <p><b>If you are already registered follow the below steps</b></p> <ol style="list-style-type: none"> <li>1. Visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com/">https://eservices.nsd.com/</a> either on a Personal Computer or on a mobile.</li> <li>2. Once the home page of e-Services is launched, click on the <b>“Beneficial Owner”</b> icon under <b>“Login”</b> which is available under <b>“IDeAS”</b> section.</li> <li>3. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services.</li> <li>4. Click on <b>“Access to e-Voting”</b> appearing on left hand side under e-Voting services and you will be able to see e-Voting page.</li> <li>5. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol> <p><b>If the user is not registered for IDeAS e-Services, follow the below steps:</b></p> <ol style="list-style-type: none"> <li>1. Option to register is available at <a href="https://eservices.nsd.com/">https://eservices.nsd.com.</a></li> <li>2. Select <b>“Register Online for IDeAS”</b> Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Please follow steps given in point 1-5.</li> </ol> <p><b>B. E-voting website of NSDL</b></p> <ol style="list-style-type: none"> <li>1. .Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile.</li> <li>2. Once the home page of e-Voting system is launched, click on the icon <b>“Login”</b> which is available under <b>‘Shareholder/Member’</b> section.</li> <li>3. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.</li> <li>4. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol> |

| Type of shareholders   | Login Method  |
|--|---|
| Individual Shareholders holding securities in demat mode with CDSL                                     | <ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.<br/>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol> |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | <ol style="list-style-type: none"> <li>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</li> <li>Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</li> <li>Click on options available against company name or <b>e-Voting service provider-NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>  |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at respective website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL**

| Login type   | Helpdesk details   |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30                   |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at (022) 2305 8738 or (022) 2305 8542-43 |



**B) Login Method for e-voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen. *Alternatively, if you are registered for NSDL eservices i.e. IDeAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDeAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
4. Your User ID details are given below :

| <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<br>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<br>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<br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - (ii) If your email ID is not registered with company/DP, please follow steps mentioned below in this notice

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 OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

### **Step 2: CAST YOUR VOTE ELECTRONICALLY AND JOIN GENERAL MEETING ON NSDL E-VOTING SYSTEM.**

#### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **GENERAL INFORMATION FOR SHAREHOLDERS**

23. 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.
24. In case of any queries, relating to e-voting you may refer to the FAQs for shareholder and e-voting user manual for shareholders available at the download section of <http://www.evoting.nsdl.com> or call on toll free no.: 1800-1020 990 or 1800 224 430 or send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
25. 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, 11th day of September, 2021**, 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 their existing user ID and password for casting their vote. If he/she forgets his/her password, he/she can reset the password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned above under "**Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**"

26. Mr. Mohan Ram Goenka, Practising Company Secretary (CP No. 2551), Partner at M/s. M.R. & Associates, Practising 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.
27. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, scrutinise the votes cast at the meeting and votes cast through remote e-voting and make, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, and submit the same to the Chairman or a person authorised by him in writing, who shall countersign the same.
28. In accordance with Regulation 44(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the results will be declared within two working days of conclusion of AGM, in the prescribed format along with the report of the Scrutinizer and the same shall be placed on the website of the company [www.ashikagroup.com](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 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.
29. **Process for those shareholders whose email ids are not registered with the depositories/RTA for procuring User Id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:**
- Members who have not yet registered their e-mail addresses are requested to register the same with their Depository Participants ("DP") in case the shares are held by them in electronic form and with Maheshwari Datamatics Pvt. Ltd, RTA in case the shares are held by them in physical form.
  - If your email address is already registered with Company/DP/RTA, login details for e-voting, Notice and Annual Report will be sent on your registered email address. Members who have not registered their e-mail and mobile number with the Company/RTA/DP, are requested to follow the process mentioned below and register their email addresses and mobile at the earliest possible, so as to receive electronically the Notice, Annual Report and Login details & Password for e-voting on the email. Also, update the bank details as mentioned below:

|                  |   |
|------------------|---|
| Physical Holding | <p>1) Members are requested to directly register their email id by visiting the link of the Company's Registrar and Share Transfer Agent M/s. Maheshwari Datamatics Pvt. Ltd. as given below:</p> <p>Link for email registration - <a href="http://mdpl.in/form/email-update">http://mdpl.in/form/email-update</a></p> <p>2) Bank Details updations: Members are requested to directly register their bank details by visiting the link <a href="https://mdpl.in/form/nach-mandate">https://mdpl.in/form/nach-mandate</a> and upload the necessary documents.</p> |
| Demat Holding    | Please contact your Depository Participant and follow the process advised by your DP for email, mobile and bank updation.   |

- Members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing demat account number / Folio number, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained above.
- In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

30. Member will be able to attend the AGM through VC/OAVM or view the live webcast of AGM provided by NSDL at <http://www.evoting.nsdl.com> following the steps mentioned above for access to NSDL e-voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by

following the remote e-Voting instructions mentioned in the notice. Further, Members can also use the OTP based login for logging into the e-voting system of NSDL.

31. **The Members can join the AGM through the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting** by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. can attend the AGM without any restriction on account of first-come-first-served principle.
32. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) / 1800 1020 990 and 1800 22 44 30 or contact Amit Vishal, Senior Manager – NSDL at [amitv@nsdl.co.in](mailto:amitv@nsdl.co.in)/ or Sagar Ghosalkar, Assistant Manager- NSDL at [sagar.ghosalkar@nsdl.co.in](mailto:sagar.ghosalkar@nsdl.co.in).
33. Members are requested to join the Meeting through Laptops for better experience and members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connected via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of glitches.

#### **PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT AND REGISTRATION AS SPEAKER AT THE AGM**

34. For ease of participation by the members and keeping in view smooth conduct of the proceedings at the AGM, the members are requested to send their questions in advance mentioning their name, demat account number/folio number, e-mail id, mobile number to [secretarial@ashikagroup.com](mailto:secretarial@ashikagroup.com). The questions received till **Saturday 5:00 p.m., 11th day of September, 2021** will be considered and replied suitably.
35. Members willing to express their views or ask questions during the AGM are required to register themselves as speakers by sending their requests from **Monday, 13<sup>th</sup> September, 2021 (9:00 A.M. IST) to Wednesday, 15<sup>th</sup> September, 2021 (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 Company reserves the right to restrict the number of questions, time allotted and number of speakers to ensure smooth conduct of the AGM.

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

**(Anju Mundhra)**

Company Secretary

Membership no: F6686

Date: 12.08.2021

Place: Kolkata

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

##### **Item No. 3**

The members of the Company appointed M/s. Haribhakti & Co, LLP, Chartered Accountants (Firm Registration No. 103523W/W100048) as Statutory Auditors of the Company for a period of five years from the conclusion of AGM held in the year 2017, till the conclusion of the 29th AGM to be held in the year 2022 .

Reserve Bank of India vide its circular no. RBI/2021-22/25 Ref. No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 ("RBI Circular"), has issued guidelines w.r.t. **Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBS and NBFCs (including HFCs)** and FAQ's released subsequently by RBI on 11<sup>th</sup> June 2021, These Guidelines are applicable to NBFC for the FY 2021-2022 onwards in respect of appointment / re-appointment of Statutory Auditor. As per guidelines there has been restriction on Audit Firm in regard to conduct of Statutory Audit.

In view of above, M/s. Haribhakti & Co., LLP, Statutory Auditors of the Company vide their resignation letter dated 10.08.2021 expressed that they are ineligible to continue as Statutory Auditors of the Company pursuant to the aforesaid mentioned RBI circular read with FAQ. As per their resignation letter, they shall resign from the office of Statutory Auditors, w.e.f closing hours of 13.08.2021, which resulted casual vacancy in the office of the Auditors of the Company as per section 139(8) of the Companies, Act, 2013. The aforesaid resignation has been taken on record by Audit committee in their meeting held on 11th August 2021.

In accordance with aforesaid provisions of the Act, the casual vacancy caused by the resignation of the Statutory Auditors shall be filled by the Board within a period of thirty days and such appointment shall also be approved by the members of the Company within three months of the recommendation of the Board.

Further on recommendation of Audit committee and approved by Board via circular resolution dated 12.08.2021, M/s DMKH & Co, Chartered Accountants (Firm Registration No 116886W) were appointed as Statutory Auditor of the company as detailed below.

- a) to fill the casual vacancy caused by the resignation of M/s. Haribhakti & Co., LLP, Chartered Accountants and to hold the office of the Statutory Auditors from 14.08.2021 upto the conclusion of this Annual General Meeting.
- b) for a period of three years, from the conclusion of this 28<sup>th</sup> Annual General Meeting till the conclusion of 31<sup>st</sup> Annual General Meeting of the Company to be held in the year 2024.

M/s. DMKH & Co, Chartered Accountants (Firm Registration No 116886W), being eligible in terms of applicable provisions have provided their consent and eligibility letter to act as the Statutory Auditors of the Company along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013 and other regulatory provision. They also hold a valid peer review certificate.

Additional information about Statutory Auditors pursuant to Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided below :-

|   |   |
|---|---|
| Terms of Appointment  | <ol style="list-style-type: none"> <li>a) to fill the casual vacancy caused by the resignation of M/s. Haribhakti &amp; Co, LLP, Chartered Accountants, and the incoming Statutory Auditors shall hold office from 14.08.2021 till the conclusion of this AGM to be held in the year 2021.</li> <li>b) for a continuous period of three years, from the conclusion of the 28th Annual General Meeting to be held in the year 2021 till the conclusion of 31st Annual General Meeting of the Company to be held in the year 2024</li> </ol>  |
| Proposed Audit fees payable to Auditor and material change in fee payable | <p>₹ 7 lakhs (Rupees Seven lakhs only) per annum for carrying on Statutory Audit including Limited review in addition to applicable taxes and reimbursement of out of pocket expenses, if any. The fee of any ancillary services if availed shall be mutually decided by the Board of Directors/Committee from time to time in consultation with auditor</p> <p>Further, the erstwhile Auditors be paid the fee of ₹ 1 lakh (Rupees One Lakh only) in addition to applicable taxes and reimbursement of out of pocket expenses, for part of the services rendered in FY 2021-22.</p> <p>There is no material change in fee for the proposed new auditors.</p>   |
| Basis of recommendation and Auditor credentials                           | <p>The recommendations are based on the fulfilment of the eligibility criteria prescribed by Companies Act, 2013, SEBI and other applicable provisions</p> <p>DMKH &amp; CO. is a single window professional service firm rendering excellent quality services since last 30 years in the areas of Audit &amp; Assurance, Direct and Indirect Taxation, Internal Controls Review &amp; Audit, Financial and Management Consultancy, Risk Advisory, Mergers &amp; Acquisitions and Business Valuations. The firm has its H.O. in Mumbai &amp; branches at 7 other locations (Ahmadabad, Gandhinagar, Ankleshwar, Surat, Udaipur, Pune, New Delhi) in India with 13 partners and a skilled team of 150+ members which include CA, CS, MBA's &amp; Advocates. The firm is empanelled with RBI for conducting Statutory Audits of Nationalized Banks and also empanelled with office of CAG for conducting Audits of PSUs and firm is also empanelled with Indian Bank Association (IBA).</p> |

The said appointment of incoming Statutory Auditors shall be pursuant to applicable provisions of the Companies Act 2013, SEBI (LODR) Regulations, 2015 and terms as contained in SEBI circular No.CIR/CFD/CMD/1/114/2019 dated October 18, 2019.

None of the Directors / Key Managerial Personnel of the Company / their relatives are in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice. The Directors recommend the resolution for approval by the members.

Accordingly, consent of the Members is sought for passing an **Ordinary Resolution** as set out in Item No. 3 of the Notice for appointment and payment of remuneration to the Statutory Auditors.

#### **Item No. 4**

Ms Suparna Sengupta is the non-executive Independent director of the Company. She was appointed as an Independent Director of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013 read with rules framed thereunder ('the Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereof. Ms. Sengupta holds office as an Independent Director of the Company upto 13<sup>th</sup> February, 2021 ('first term') in terms of the explanation to Sections 149(10) and 149(11) of the Act. Ms. Suparna Sengupta is the member of the Audit committee, Nomination & Remuneration committee and Stakeholder's Relationship committee of the Company. As on date, she does not hold for herself or for any other person any shares on a beneficial basis in the company.

Ms Suparna Sengupta, an MBA from IISWBM with first class, is also a Post Graduate in Medical Law and ethics from National Law University Bangalore with a dynamic personality having over 24 years of rich experience in the field of Medical Laws, Business development, administration and corporate relations. She plays a crucial role in preserving the ethical values of the organization. She is instrumental in formulating competitive strategies, business development, operations and corporate relations. She is a tenacious motivator and has knack of timely decision -making and lateral thinking abilities which will propel business growth of the Company.

In the opinion of the Board, Ms. Sengupta fulfils the conditions for appointment of Independent Director as specified in the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is independent of the management.

The Board of Directors of the Company through Resolution by circulation passed on 4<sup>th</sup> February, 2021, on the recommendation of the Nomination & Remuneration Committee, and based on the performance evaluation, considering her background and experience and contributions made during her tenure, the association of Ms. Sengupta would be beneficial to the Company and it is desirable to re-appoint her as an Independent Director of the Company, not liable to retire by rotation, for a second term of three consecutive years w.e.f. 14<sup>th</sup> February, 2021, in terms of Section 149 read with Schedule IV of the Companies Act, 2013 ('the Act'), and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, or any amendment thereto or modification thereof. Further, the Company has received from Ms. Suparna Sengupta all necessary disclosures with regards to her re-appointment as Independent Director of the Company.

Copy of the draft letter of appointment of Ms. Suparna Sengupta setting out the terms and conditions of appointment are available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (between 11 A.M. to 1 P.M.) on all working days, except Saturday & Sunday. Requisite Notice under Section 160 of the Act proposing the re-appointment of Ms. Sengupta has been received by the Company.

The Board recommends the resolution set forth in Item no 4 for the approval by the shareholders of the Company as **SPECIAL RESOLUTION**.

Additional information in respect of Ms. Sengupta, pursuant to Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings is provided in annexure to this notice.

None of the other Directors, Key Managerial Personnel and their respective relatives, except Ms. Suparna Sengupta, being an appointee are concerned or interested, financially or otherwise, in the proposed Resolutions mentioned at Item No. 4 of the Notice.

#### **Item No. 5**

Ms Sonu Jain is the non-executive Independent director of the Company. She was appointed as an Independent Director



of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013 read with rules framed thereunder ('the Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereof. Ms. Jain holds office as an Independent Director of the Company upto 31<sup>st</sup> March, 2022 ('first term') in terms of the explanation to Sections 149(10) and 149(11) of the Act. Ms. Sonu Jain is the Chairperson of the Corporate Social Responsibility committee as well as the Stakeholder's Relationship Committee and is also the member of the Audit committee and Nomination & Remuneration committee. As on date, she does not hold for herself or for any other person any shares on a beneficial basis in the company.

Ms. Sonu Jain was Chairperson of EIRC ICAI (2018-2019) and by profession, a Practicing Chartered Accountant. She is also a qualified Company Secretary. She also possess diploma in Insolvency and Bankruptcy Code, 2016, Certification course on Concurrent Audit, DBM, DISA, DIRM. She is Practicing Chartered Accountant by profession and has more than 20 years of vast expertise & experience in field of Statutory, Internal, Stock, Revenue audit, Migration of banks and Budgeting and other Financial Control, Tax planning & Consultation etc, liaisoning with Registrar of Companies, Regional Director and Company Law, IP, she also holds directorship in other unlisted companies. Ms. Sonu Jain possesses all the positive attributes, qualification, versatile & vast experience & knowledge which will be very much rewarding for the growth & nourishment of the company.

In the opinion of the Board, Ms. Sonu Jain fulfils the conditions for appointment of Independent Director as specified in the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is independent of the management.

The Board of Directors of the Company through Board meeting held on 6<sup>th</sup> May, 2021, on the recommendation of the Nomination & Remuneration Committee, and based on her performance evaluation, considers that given her background and experience, it is desirable to re-appoint her as an Independent Director of the Company, not liable to retire by rotation, for a second term of three consecutive years w.e.f. 1<sup>st</sup> April, 2022, in terms of Section 149 read with Schedule IV of the Companies Act, 2013 ('the Act'), and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, or any amendment thereto or modification thereof. Further, the Company has received from Ms. Jain all necessary disclosures with regards to her re-appointment as Independent Director of the Company

Copy of the draft letter of appointment of Ms. Jain setting out the terms and conditions of appointment are available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (between 11 A.M. to 1 P.M.) on all working days, except Saturday & Sunday. Requisite Notice under Section 160 of the Act proposing the re-appointment of Ms. Jain has been received by the Company.

The Board recommends the resolution set forth in Item no 5 for the approval by the shareholders of the Company as **SPECIAL RESOLUTION**.

Additional information in respect of Ms. Sonu Jain, pursuant to Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings is provided in annexure to this notice.

None of the other Directors, Key Managerial Personnel and their respective relatives, except Ms. Jain, being an appointee are concerned or interested, financially or otherwise, in the proposed Resolutions mentioned at Item No. 5 of the Notice.

#### **Item No. 6**

Mr. Amit Jain is a qualified Chartered Accountant from Institute Of Chartered Accountants Of India and is associated with Ashika Group since more than 18 years. He is the Executive Director of Ashika Stock Broking Ltd, Group company and heads the Mutual fund and Retail Marketing division. He also holds directorship in other Ashika Group Companies. He was associated with Ashika Credit Capital Limited for more than 15 years , initially as Head – Finance & Accounts, as CFO for approx 5 years and then as Head – Loan & Assurance. He resigned from the company wef 01.11.2020. He has brought a wealth of experience of over 18 years in Broking, Mutual Fund, finance, accounts, taxation and audit. His vast experience in the field of finance has always steered the Group to achieve a high degree of corporate governance and has set standards in reporting and presenting the financial affairs of the organization.

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held on 3<sup>rd</sup> August 2021, had appointed Mr. Amit Jain (DIN: 00040222) as an Additional Director, being Non Executive Director on the Board of the Company in terms of Section 161 and other applicable provisions of Companies

Act, 2013 ('the Act'), and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, or any amendment thereto or modification thereof, with effect from 4<sup>th</sup> August, 2021. The Additional Director holds office only upto the date of the ensuing Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ('the Act') and is eligible for appointment as Director. He shall be liable to retire by rotation.

Mr. Amit Jain is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company, Form MBP-1, Certificates and other relevant disclosures. The Company has received notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Jain for the office as a Regular Director of the company.

Copy of the draft letter of appointment of Mr. Jain setting out the terms and conditions of appointment are available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (between 11 A.M. to 1 P.M.) on all working days, except Saturday & Sunday.

The Board recommends the resolution set forth in Item no 6 for the approval by the shareholders of the Company as **ORDINARY RESOLUTION.**

Additional information in respect of Mr. Amit Jain, pursuant to Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings is provided in annexure to this notice.

None of the other Directors, Key Managerial Personnel and their respective relatives, except Mr. Amit Jain, being an appointee, are concerned or interested, financially or otherwise, in the proposed Resolutions mentioned at Item No. 6 of the Notice.

#### ANNEXURE TO THE NOTICE

#### DETAILS OF THE DIRECTOR SEEKING RE-APPOINTMENT AT THE TWENTY-EIGHTH 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. Daulat Jain   | Ms. Sonu Jain  | Ms. Suparna Sengupta   | Mr. Amit Jain                  |
|---------------|-------------------|--|--|--------------------------------|
| DIN           | 00040088          | 07267279   | 07689952   | 00040222                       |
| Date of Birth | 13th July, 1972   | 1st September, 1975  | 17 <sup>th</sup> November 1972   | 13 <sup>th</sup> December 1976 |
| Qualification | B.Com (Hons), FCA | B.Com (Hons), FCA<br>CS, D.B.M (ICFAI),<br>DISA (ICAI), DIRM<br>(ICAI), Registered<br>under Insolvency<br>and Bankruptcy<br>Code, 2016 | PG in Medical Law<br>& Ethics from NLU,<br>Bangalore<br>PG Diploma (equivalent<br>to MBA) in Hospital<br>Management from<br>IISWBM | B.Com (Hons), ACA              |

| Name          | <b>Mr. Daulat Jain</b>   | <b>Ms. Sonu Jain</b>  | <b>Ms. Suparna Sengupta</b>   | <b>Mr. Amit Jain</b>   |
|---------------|--|---|---|--|
| Brief Profile | <p>Mr. Daulat Jain the Fellow Member of the Institute of Chartered Accountants of India and co-founder of Ashika Group. He has been a leader from the beginning and has promoted deep rooted values and ethics, the core strengths of the company.</p> <p>His pragmatic approach and business acumen has led Ashika to spread wings and establish an unparalleled distribution network with a strong franchise support. His experience spanning more than 22 years across a wide array of subjects in the field of Corporate Finance (Inter Corporate Deposits, Short Term Financing, Bill Discounting, Loan Syndication, Arranging Working Capital Finance), Investments (Securities Trading &amp; Bought Out Deals), Taxation, Audit and Corporate Laws has helped the company to achieve its objectives. His expertise and in-depth analysis of the business has been a cornerstone for the Group to aim for newer heights.</p> | <p>Ms. Sonu Jain is a qualified Chartered Accountant &amp; Company Secretary, she also possesses diploma in Insolvency and Bankruptcy Code, 2016, Certification course on Concurrent Audit, DBM, DISA, DIRM. She is Practicing Chartered Accountant by profession and has more than 20 years of vast expertise &amp; experience in field of Statutory, Internal, Stock, Revenue audit, Migration of banks and Budgeting and other Financial Control, Tax planning &amp; Consultation etc, liaisoning with Registrar of Companies, Regional Director and Company Law, IP. She was Chairperson of ICAI, East for 2018-2019 and also holds directorship in other unlisted companies.</p> | <p>Ms Suparna Sengupta, an MBA from IISWBM with first class, is also a Post Graduate in Medical Law and ethics from National Law University Bangalore with a dynamic personality having over 22 years of rich experience in the field of Medical Laws, Business development, administration and corporate relations. She plays a crucial role in preserving the ethical values of the organization. She is instrumental in formulating competitive strategies, business development, operations and corporate relations. She is a tenacious motivator and has knack of timely decision -making and lateral thinking abilities which propels business growth in diverse fields</p> | <p>Mr. Amit Jain is a qualified Chartered Accountant from ICAI and is associated with Ashika Group since more than 18 years. He is the Executive Director of Ashika Stock Broking Ltd, Group company and heads the Mutual fund and Retail Marketing division and holds directorship in Ashika group Companies. He was associated with Ashika Credit Capital Limited for more than 15 years , initially as Head – Finance &amp; Accounts, as CFO for approx 5 years and then as Head – Loan &amp; Assurance. He resigned from the company wef 01.11.2020. He brings a wealth of experience of over 18 years in Mutual Fund, Broking finance, accounts, taxation and audit. His vast experience in the field of finance has always steered the Group to achieve a high degree of corporate governance and has set standards in reporting and presenting the financial affairs of the organization.</p> |

| Name  | <b>Mr. Daulat Jain</b>   | <b>Ms. Sonu Jain</b>   | <b>Ms. Suparna Sengupta</b>   | <b>Mr. Amit Jain</b>   |
|---|--|--|---|--|
| Experience  | More than 22 years   | More than 20 years   | More than 22 years  | More than 18 years   |
| Expertise in specific functional Area   | Corporate Finance (ICD, Short Term Financing, Bill Discounting, Loan Syndication, Arranging Working Capital Finance), Investments (Securities Trading & Bought Out Deals), Taxation, Audit and Corporate Laws, Broking and commodity activities. | Audit - Statutory, Internal, Stock, Revenue, Migration of banks and Budgeting and other Financial Control. Tax planning & Consultation etc | Medical Laws, ethics, Business development & administration                                 | Mutual fund, Broking, finance, accounts, taxation and audit                          |
| Remuneration Last drawn (including sitting fee, if any) as per last audited Balance sheet as on 31 <sup>st</sup> March 2021 | Mr Daulat has forgone his salary for the FY 2020-2021 on account of Covid-19 pandemic. Further remuneration paid for the FY 2019-2020 was Rs. 13,00,008 .  | Other than sitting fee, no other remuneration is being paid  | Other than sitting fee, no other remuneration is being paid                                 | ₹ 9,86,350/- (for part of the FY 2020-2021, as Head – Loan & Assurance)              |
| Date of first appointment on the Board  | 08/03/1994, thereafter resigned on 01/05/2013 and once again joined board w.e.f. 14/01/2016. He was further appointed as MD w.e.f 14/11/2016;  | 01/04/2019   | 14/02/2018  | 04/08/2021   |
| Relationship with other Directors / KMP   | Mr. Daulat Jain is brother of Mr Pawan Jain, Promoter and Executive Chairman   | Ms. Sonu Jain does not have any relation with other Directors, Manager and other KMP   | Ms. Suparna Sengupta does not have any relation with other Directors, Manager and other KMP | Mr. Amit Jain does not have any relation with other Directors, Manager and other KMP |

| Name   | Mr. Daulat Jain  | Ms. Sonu Jain  | Ms. Suparna Sengupta  | Mr. Amit Jain   |
|--|--|--|---|---|
| Directorship held in other Companies   | <ul style="list-style-type: none"> <li>□ Ashika Capital Ltd</li> <li>□ Ashika Global Finance Pvt Ltd</li> <li>□ Ashika Properties Pvt Ltd</li> <li>□ Ashika Entercon Pvt Ltd</li> <li>□ Ashika Wealth Management Pvt Ltd</li> <li>□ Ashika Logistics Pvt Ltd</li> <li>□ Ashika Business Pvt Ltd</li> <li>□ Ashika Stock Broking Ltd</li> <li>□ Ashika Global Securities Pvt Ltd</li> <li>□ Puja Sales Promotion Pvt Ltd</li> <li>□ Ashika Stock Broking IFSC Pvt Ltd</li> <li>□ Ashika Commodities and Derivatives Pvt Ltd</li> <li>□ Withal Commercial Pvt Ltd</li> </ul> | <ul style="list-style-type: none"> <li>□ Ashika Stock Broking Ltd.</li> <li>□ Budge Budge Refineries Ltd</li> <li>□ Kanchan Oil Industries Ltd</li> <li>□ Vistar Financiers Pvt Ltd</li> </ul> | Nil   | <ul style="list-style-type: none"> <li>□ Ashika Logistics Pvt Ltd</li> <li>□ Ashika Business Pvt Ltd</li> <li>□ Ashika Stock Broking Limited</li> <li>□ Ashika Global Securities Pvt Ltd</li> <li>□ Puja Sales Promotion Pvt Ltd</li> <li>□ Ashika Stock Broking IFSC Pvt Ltd</li> <li>□ Ashika Commodities &amp; Derivatives Pvt Ltd</li> <li>□ Withal Commercial Pvt Ltd</li> </ul> |
| Membership / Chairmanship of the Committee of the Board of Directors of other Companies in which he/she is a Director (excluding Ashika Credit Capital Ltd ) | Chairman - CSR Committee - Ashika Global Securities Pvt Ltd<br>Member - CSR Committee - Ashika Stock Broking Ltd   | Member- Audit Committee, Nomination & Remuneration Committee- Ashika Stock Broking Limited   | N.A.  | Member of CSR committee (Ashika Stock Broking Ltd & Ashika Global Securities Pvt Ltd)   |
| Number of Equity Shares held in the Company as on 31.03.2021   | 450,000 Equity shares  | Nil, also, no shares held as a beneficial owner in the Company.  | Nil, also, no shares held as a beneficial owner in the Company. | Nil, also, no shares held as a beneficial owner in the Company.   |