

ASHIKA CREDIT CAPITAL LIMITED



Growing & Sharing with You

**FOURTEENTH ANNUAL REPORT
2006-2007**

BOARD OF DIRECTORS

SRI PAWAN JAIN – *Chairman*
SRI DAULAT JAIN – *Director*
SRI KASHI PRASAD KHANDELWAL – *Director*
SRI ASHOK KUMAR AGARWAL – *Director*
SRI SAGAR JAIN – *Director*
SRI R.S. AGARWAL – *Director*
SRI K.K. SARAF – *Director*

CEO & MANAGER

SRI BABULAL BAFNA - *Manager & CEO*

COMPLIANCE OFFICER

MS. ANJU LOHIYA - *Company Secretary & CFO*

AUDITORS

SAH LODHA & ASSOCIATES
CHARTERED ACCOUNTANTS
58/D, NETAJI SUBHASH ROAD,
3RD FLOOR, ROOM NO.314,
KOLKATA – 700 001

BANKERS

CITI BANK
ORIENTAL BANK OF COMMERCE
TAMILNAD MERCANTILE BANK LTD.
HDFC BANK LTD.

REGISTERED OFFICE

'TRINITY'
226/1 A. J. C. Bose Road,
7th Floor, Kolkata – 700 020

REGISTRARS & SHARE TRANSFER AGENT

Maheshwari Datamatics Pvt. Ltd.
6, Mango Lane, 2nd Floor
Kolkata 700 001



DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their Fourteen Annual Report of the Company together with the audited Statement of Accounts for the year ended 31st March 2007.

FINANCIAL PERFORMANCE:

(Amount in Rupees Lacs)

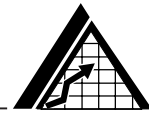
Financial Results For The Year Ended	31st March 2007	31st March 2006
Total Income	82.25	4518.95
Profit before tax	14.62	79.83
Provision for taxation	1.81	5.78
Profit after taxation	12.81	74.05
Add: Earlier year securities transaction written off	(9.00)	0
Add: Balance brought forward from previous year	99.74	40.50
Profit available for appropriation	103.55	114.55
Appropriations:		
Proposed Dividend (Current)	0	0
Earlier year		
Tax on Dividend	0	0
Transfer to statutory reserve	2.56	14.81
Balance Transferred to Balance Sheet	100.99	99.74

Dividend:

Your company dividend policy is based on twin objectives firstly rewarding shareholders with dividends and secondly retaining capital to maintain a healthy Capital Adequacy ratio. The Board of Directors has decided that in the present global scenario the company has to augment more capital for the purpose of expansion plan of the company and so the profits of the company for the year ended 31st March 2007 may be deployed for the purpose. The Board decided not to recommend any dividend for the year ended 2007.

Review of Operations:

In the changing environment and throat cut competition scenario of economy, The Financial year 2006-2007 saw significant changes in the present state of affairs and so your company undertake a number of significant initiatives focused on growth and has established new amplitude of progress. New client engagements are being aggressively initiated, more recruitment plans are being implemented and the physical infrastructure equipped with all



modern techniques and amenities has been set up, with a view to be in a position to service anticipated growth in business. Further the company has strengthened its management team , which will facilitate decision making and more efficient review of operations.

Auditors' Report:

The notes given in the Auditors' Report are self-explanatory and needs no further clarification.

Business Strategy:

To be an important player in financial sector of the economy your company is to provide best quality services in Investment Banking, including inter corporate deposits, corporate consultancy etc.

Subsidiary Companies:

Your Company has one wholly-owned subsidiary company named M/s Ashika Capital Limited and two fellow subsidiary companies named M/s Ashika Insurance Broking and Risk Management Pvt Ltd and M/s Ashika Properties Pvt Ltd As required under section 212 of the Companies Act, 1956, the audited statement of accounts, and Directors' and Auditors' Report thereon for the year ended 31st March 2007 are annexed herewith.

Statutory and Other Information:

There are no employees falling within the purview of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

There was no expenditure or income in foreign currency during the year under review.

Since your Company does not own any manufacturing unit, the disclosure of information on the matter required to be disclosed in terms of section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988, is not applicable and hence not given.

Corporate Governance :

Pursuant to clause 49 of the listing agreement with the Calcutta Stock Exchange Association Limited, a Management Discussion and Analysis, Corporate Governance Report and Auditor's Certificate regarding compliance of conditions of corporate governance constitute integral part of the Annual Report.

Directors:

Pursuant to the provision of section 255 of the Companies Act, 1956 and Article 126 of the Articles of Association of the Company, Mr. Sagar Jain, Director and Mr. Ashoka Agarwal, Director of the Company is liable to retire by rotation in the forthcoming Annual General Meeting of the Company and being eligible, offers themselves for reappointment. Mr. K.K.Saraf was appointed additional director of the company w.e.f. 21st April 2007 and cease to be director at this Annual General Meeting. His candidature is proposed for directorship at the ensuing Annual General Meeting pursuant to section 257 of the Companies Act, 1956.



Manager :

Pursuant to the provision of section 198, 269, 387 of the Companies Act, 1956 and Article 169 of the Article of Association of the company, Mr Babulal Bafna was appointed as Manager & CEO of the company for a period of 3years commencing from 1st April 2007 to 31st March 2010.

Auditors:

M/s. Sah Lodha & Associates, Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting of the Company; and being eligible, offer themselves for re-appointment. The Company has received a Certificate from the Auditors that if reappointed, they are qualified under section 224(1B) of the Companies Act, 1956 to act as the Auditors of the Company.

Directors Responsibility Statement:

As per the relevant provisions of section 217(2AA) of the Companies Act, 1956, the Directors of your Company confirm that:

- i) In the preparation of the Annual accounts, the applicable accounting standards have been followed and there is no material departure from the above.
- ii) The directors have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the profit of the Company for that period.
- iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act. 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities to the best of their knowledge and ability.
- iv) The directors have prepared the annual account on a going concern basis.

Acknowledgements:

Lastly your Directors gratefully acknowledge the contribution made by the employees towards the success of the company. They also place on record their deep appreciation with gratitude for the support and co-operation extended to by the clients, bankers, investors, shareholders, and the media and look forward to their continued support. Your directors also offer their gratitude to the Government Officials and other statutory authorities for their continued co-operation.

For and on behalf of the Board of Directors

**Place: Kolkata
Date: 29th June, 2007**

**(Pawan Jain)
Chairman**



REPORT ON CORPORATE GOVERNANCE

(Forming Part of The Directors' Report for the year ended 31st March 2007)

The Director's presents the company's report on Corporate Governance.

Corporate governance has established itself globally as a fundamental component of every corporate process. In line with this philosophy, Ashika Credit Capital Limited, continuously strives for excellence and enhancing stakeholder value through adoption of best governance and disclosure practice.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

ACCL governance practice stems from an inherent desire to improve and innovate and reflect the cultural of trusteeship, transparency, empowerment and accountability that is deeply ingrained in our value system and forms part of the strategic thought process. We always maintained the corporate governance in its true spirit, and not merely a regulatory check.. The company believes that all its operations and actions must serve the underline goal of enhancing overall shareholder value, over a sustained period of time. The company has initiated the necessary steps towards this goal.

The company is committed to benchmark itself with the best standards of Corporate Governance. A path towards compliances and good governance strategies is defined and any deviation from the same is strictly reviewed. Your organization believes that the key to corporate growth and long term survival is to adopt best ethical policies in business.

2. THE BOARD OF DIRECTORS:

The Company has optimum combination of Executive and Non-Executive Directors with more than 50% of the Board comprising of Non-Executive Directors. The composition of the Board of Directors is as under: -

Name of Director	Designation	Type	Executive/ Non Executive	No. of other Directorships	No. of Committees Position
Mr. Pawan Jain*	Chairman-cum- Managing director	Promoter	Executive	12	2
Mr. Daulat Jain**	Director	Promoter	Non Executive	11	3
Mr. Kashi Prasad Khandelwal	Director	Independent Director	Non Executive	1	2
Mr. Ashok Agarwal	Director	Independent Director	Non Executive	5	2 (Chairman of one Committee)
Mr. Sagar Jain	Director	Independent Director	Non Executive	5	2 (Chairman of two Committees)
Mr. R. S. Agarwal	Director	Independent Director	Non Executive	-	-
Mr. Keshav Kumar Saraf***	Director	Independent Director	Non Executive	2	N.A.

* His Tenure ship as Managing Director expires on 31.03.2007 and further he will act as Non – Executive Director w.e.f 1st April 2007

** Executive director w.e.f. 1st April 2007

*** Appointed as Director w.e.f. 21st April 2007



ASHIKA CREDIT CAPITAL LIMITED

All the Directors duly attended the meetings of the Board of Directors of the Company, except those who were granted leave of absence for not attending any particular meeting of the Board of Directors of the Company.

The Board of Directors of the Company duly met five (5) times during the financial year ended on 31st March 2007 viz., on 27/04/2006, 22/06/2006, 28/07/2006, 28/10/2006 & 19/01/2007. The Annual general meeting was held on 31.08.2006. The particulars of attendance of Directors at the Board and General Meetings held during the year 2007 is as follows:

Name of Director	ATTENDANCE		
	Board Meetings held	Board Meetings attended	AGM held on 31.08.2006
Mr. Pawan Jain	5	3	No
Mr. Daulat Jain	5	5	Yes
Mr. Kashi Prasad Khandelwal	5	5	No
Mr. Ashok Agarwal	5	2	No
Mr. Sagar Jain	5	5	No
Mr. R.S. Agarwal	5.	5	No

CODE OF CONDUCT :

The company has already adopted a Code of Conduct, which was made applicable to all its directors, whether executive, or non-executive and all Senior Management Personnel of the company. Board members and senior management personnel have affirmed compliance with the company's code of conduct during the period. A statement to this effect that all directors and senior management personnel have complied with the company's code of conduct during the period and the same duly certified by CEO of the company is annexed herein below.

Declaration as under clause 49(I)(D) of the Listing Agreement.

This is to certify that in pursuance of provision of above clause of Listing Agreement, a Code of Conduct for the Directors and Senior Management Personnel of the company has been approved by the board at its meeting held on 25th January, 2006. The Board of Director took note of the said code at its meeting held on 21st April 2007 and the same has been circulated to all the members of the Board and other senior management personnel .

All Directors and senior management personnel of the company have affirmed having complied with the said Code of Conduct for the year ended 31st March, 2007.

BABULAL BAFNA
(CHIEF EXECUTIVE OFFICER)

3. THE AUDIT COMMITTEE:

The Company has set up an Audit Committee. The constitution of the Committee is as follows: -

Name	Designation	Executive /Non Executive / Independent	Profession
Mr. Sagar Jain	Chairman	Non Executive and Independent	Chartered Accountant
Mr. Kashi Prasad Khandelwal	Member	Non Executive and Independent	Chartered Accountant
Mr. Daulat Jain	Member	Non Executive	Chartered Accountant



During the year under review of the Audit Committee duly met five times on 27/04/2006, 22/06/2006, 28/07/2006, 28/10/2006 & 19/01/2007. The attendance at the meetings was as under:-

SI No.	Name	No. of Meetings held	No. of Meetings attended
1	Mr. Sagar Jain	5	5
2	Mr. Kashi Prasad Khandelwal	5	5
3	Mr. Daulat Jain	5	5

The Board at its meetings duly noted minutes of the Audit committee meetings.

Terms of Reference of the Audit Committee:

- ❖ 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.
- ❖ Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and fixation of the audit fees.
- ❖ Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- ❖ Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to: -
 - Matters required to be included in the Directors Responsibility Statement to be included in the Boards report in terms of the clause (2AA) of section 217 of the Companies Act, 1956.
 - 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 changes made in the financial statement arising out of the audit findings
 - By Compliance with Listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Qualifications in the Draft Audit Report
- ❖ Reviewing, with the management, the quarterly financial statements before submission to the Board for Approval.
- ❖ Reviewing, with the management, performance of Statutory and internal auditors, adequacy of the internal control systems.
- ❖ Reviewing the adequacy of internal audit functions, 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.
- ❖ Discussions with the internal auditors any significant findings and follow up there on.
- ❖ Reviewing the findings of any internal investigation by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control system of a material nature and reporting the matter to the board.
- ❖ Discussion with the Statutory Auditors before the Audit commences, about the nature and scope of audit as well as post audit discussions to ascertain any area of concern.



- ❖ To look into the reason of substantial default in the payment to depositors, debenture holders, shareholders (in case of non payment of declared dividend) and creditors.
- ❖ To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- ❖ Carrying out any other functions as is mentioned in the terms of reference of the Audit Committee.

Following information is mandatory reviewed by the Committee: -

- Management discussion and analysis of financial condition and results of operation
- Statement of significant related party transactions (as defined by the audit committee), submitted by management.
- Management letters/ letters of internal control weaknesses issued by the statutory auditors
- Internal audit report relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditors shall be subject to review by the Audit Committee.

4. SHAREHOLDERS/ INVESTORS GRIEVANCE COMMITTEE:

(i) COMPOSITION:

The Company has constituted an Investors' Grievance Committee consisting of Mr. Ashok Agarwal (Chairman of the committee), Mr. Daulat Jain and Mr. Kashi Prasad Khandelwal (both members).

(ii) COMPLIANCE OFFICER:

Ms. Anju Lohiya - Company Secretary is Compliance Officer of the company for the year ended 31st March, 2007.

(iii) INVESTOR COMPLAINTS:

The investors' grievance committee has evolved an expeditious mechanism to assess, review and then dispose off the grievances of the investors. The Committee usually meets as and when necessary, discusses investors' grievance elaborately and then dispose off the same in suitable and befitting manner to the satisfaction of the shareholders. The Company received **no investor complaints** during the year under review.

5. REMUNERATION COMMITTEE:

The Company has constituted a remuneration committee consisting of Mr. Daulat Jain, Mr. Sagar Jain and Mr. Ashok Agarwal, directors of the Company. Mr. Sagar Jain is the Chairman of the Committee.

The term of reference of remuneration committee, interalia consisted of,

- Review the remuneration package, service agreement and other employment conditions of Managing / Whole time Director.
- Decide the Actual salary, allowances, perquisite, and increments of Managing/Whole time Director.
- Periodically review and suggest revision of the total remuneration package of managing/ Whole time Director.



Company has a policy of remunerating Managing Director / Manager by way of monthly salary which are duly been approved by the Remuneration Committee. No remuneration except sitting fees for attending the Board Meeting is paid to other directors.

Mr Babulal Bafna is being appointed as Manager and CEO of the company w.e.f. 1st April 2007.

Sitting Fees paid to Non whole time Directors for the year ended 31.03.07

<u>Name of Director</u>	<u>Sitting Fees</u>
Mr. Daulat Jain	20,000
Mr. Sagar Jain	20,000
Mr. K.P.Khandelwal	20,000
Mr. Ashok Agarwal	8,000
Mr. R.S. Agarwal	20,000

6. SUSIDIARY COMPANY :

Our company has a wholly owned unlisted subsidiary company - “**M/s. ASHIKA CAPITAL LIMITED**” carrying out Merchant banking and Underwriting activities. Its Board stands as follows:

- a) Mr. Pawan Jain : Chairman
- b) Mr. Daulat Jain : Director
- c) Mr. K.P. Khandelwal : Independent Director
- d) Mr. Sagar Jain : Independent Director
- e) Mr. Ashok Agarwal : Independent Director

The Audit Committee of the holding company has reviewed the Financial results and Audit Report of its subsidiary for the year ended 31st March, 2007, the same was placed before the Board of Directors of the Holding Company for approval. From time to time all minutes of the Board meetings of subsidiary company were placed before the Board of the holding company for review. The management has periodically brought to the knowledge of the board of the holding company about the significant transactions and arrangements entered into by its unlisted subsidiary company.

* Ms Astha Singhania Company Secretary resigned on 15th November 2006 and Ms Anshika Haldia was appointed as Company Secretary w.e.f. 1st April 2007

7. BOARD MEETING:

It has always been the Company's policy and practice that apart from matters requiring the Boards approval by statute, all major decisions including quarterly results of the Company as a whole and divisions/business segments, financial restructuring, capital expenditure proposals, material investment proposals etc are regularly placed before the Board. This is in addition to information with regard to actual operation, major litigation, feedback reports, and minutes of all committee meetings.

**8. GENERAL BODY MEETING:**

The location and time of the Annual General Meetings held during the last three years is as follow: -

AGM	DATE	VENUE	TIME
AGM	August 31, 2006	"TRINITY", 226/1, A.J.C.Bose Road, 7th Floor, Kolkata – 700020	11.00 AM
AGM	August 31, 2005	"TRINITY", 226/1, A.J.C.Bose Road, 7th Floor, Kolkata – 700020	11.00 AM
AGM	August 30, 2004	7, B.B. Ganguly Street, 4th Floor, Kolkata-700 012	11.00 AM

Note: There being no special resolutions passed at the meeting, no postal ballots were used/invited for voting at these meetings in respect of the same. The Company shall comply with the requirements of using postal ballot as and when required.

9. DISCLOSURE:

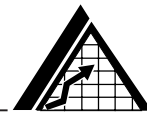
Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.	None
Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, or any matter related to capital markets, during the last three years.	None

Management Discussion and Analysis Report forms part of this Annual Report.

10. MEANS OF COMMUNICATION AND SHARE TRANSFER SYSTEM:

The un-audited financial results on quarterly basis and the half-yearly results subjected to limited review by the auditors in the prescribed form, are taken into record by the Board of Directors at its meeting within one month of the close of every quarter/half-year respectively and the same is furnished to the Calcutta Stock Exchange Association Limited where the shares of the Company are listed. The un-audited financial results on quarterly basis are also published in one English daily and one Bengali daily.

The applications for transfer and transmission are received by the Company at its Registered Office at "Trinity", 7th Floor, 226/1 A. J. C. Bose Road, Kolkata- 700 020 or by Maheshwari Datamatics Pvt. Ltd. (Registrar & Share Transfer Agent), at 6, Mango Lane, 2nd Floor, Kolkata- 700 001. As the Company's shares are currently traded in dematerialised form, the transfers are processed and approved in the electronics form by NSDL/CDSL through their depository participants. The Company processes the physical transfers on a regular basis and the certificates are despatched by the registrar directly to the transferees within 10 to 15 days from the date of receipt.



11. GENERAL SHAREHOLDER'S INFORMATION

● **ANNUAL GENERAL MEETING**

Date : 28th Day of September, 2007
Time : 11.00 A.M
Venue : " TRINITY ", 226/1, A.J.C.Bose Road, 7th Floor, Kolkata – 700 020

● **FINANCIAL CALENDAR**

April – March

- a) Financial reporting for Quarter ending June 30, 2006 : Last week of July 2006
- b) Financial reporting for Quarter ending September 30, 2006 : Last week of October 2006
- c) Financial reporting for Quarter ending December 31, 2006 : Last week of January 2007
- d) Financial reporting for year ending March 31, 2007 : Last week of June 2007

- **DATE OF BOOK CLOSURE** : 22nd September, 2007 to 28th September, 2007 (Both days inclusive)

- **DATE OF PAYMENT OF DIVIDEND** : Not Applicable

- **REGISTERED OFFICE** : "TRINITY", 226/1, A.J.C.Bose Road, 7th Floor, Kolkata – 700020.

- **LISTING ON STOCK EXCHANGE** : The Calcutta Stock Exchange Association Ltd 7, Lyons Range, Kolkata – 700 001

- **STOCK CODE** : ASHIKACR

- **STOCK MARKET DATA** : There has been no stock trading during the year.

- **REGISTRAR & SHARE TRANSFER AGENT** : **Maheshwari Datamatics Private Limited**
6, Mango Lane, 2nd Floor,
Kolkata – 700001
Tel no: 91-33-2243 5029/5809
Fax no: 91-33-2248 4787

- **INVESTOR RELATION** : All complaints received by the company from its shareholders are cleared within 10-15 days from the date of lodgement of the complaint.



ASHIKA CREDIT CAPITAL LIMITED

- **DISTRIBUTION OF SHAREHOLDING AS AT 31.03.07**

Slab of shareholding	No. of Shareholders	%	Number of Shares	%
1-500	40	18.6047	7991	0.1600
501-1000	32	14.8837	30105	0.6027
1001-2000	43	20.0000	76150	1.5246
2001-3000	15	6.9767	40500	0.8108
3001-4000	9	4.1860	33800	0.6767
4001-5000	7	3.2558	34500	0.6907
5001-10000	12	5.5814	102150	2.0451
10001 & above	57	26.5116	4669630	93.4893
Total	215	100.00	4994826	100.00

- **SHAREHOLDING PATTERN AS ON 31.03.2007**

Shareholding Pattern	Number of Shares	% of Shareholding
Indian Promoters & their Associates	2200100	44.0476
Mutual Funds & UTI	-	-
Banks, Financial Institutions, Insurance Companies (Central & State Govt. Institutions/ Non-Govt. Institutions)	-	-
Other Private Corporate Bodies	1729773	34.6313
Resident Individuals (Public)	1064953	21.3211
Sub Total	2794726	55.9524
Grand Total	4994826	100.00

- **DEMATERIALISATION OF SHARES AND LIQUIDITY** : The company's shares are available for trading in the depository systems of both NSDL & CDSL
- **OUTSTANDINGS GDR/WARRANTS** : None
- **INVESTORS CORRESPONDENCE** : M/s Maheshwari Datamatics Pvt. Ltd
6, Mango Lane , 2nd Floor
Kolkata – 700001
Tel no: 91-33-2243 5029/5809
Fax no: 91-33-2248 4787

For Ashika Credit Capital Limited

(Pawan Jain)
Chairman



CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION :

We, Babulal Bafna, Chief Executive Officer (Manager) and Anju Lohiya, Chief Financial Officer (Company Secretary) to the best of our knowledge and belief certify that:

1. We have reviewed the Balance sheet as at 31st March, 2007 and Profit & Loss Account for the year ended 31st March 2007, and all its schedules and notes on accounts as well as the Cash Flow statements and the Director's report;
2. Based on our knowledge and information, these statements do not contain any untrue statement of material fact or omits to state a material fact or does not contain any statement that might be misleading;
3. Based on our knowledge and information the financial statements and other financial information included in this report present in all material respects a true and fair view of the company affairs, the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report, and are in compliance with the existing Accounting Standards and / or applicable laws and regulations;
4. To the best of our knowledge and belief no transactions entered into by the company during the aforesaid period are fraudulent, illegal or violative of the company's' code of conduct;
5. We are responsible for establishing and maintaining disclosure, controls and procedures and internal controls over financial reporting for the company and we have;
 - i. Evaluated the effectiveness of the company's disclosure, controls and procedures over financial reporting and
 - ii. Disclose in this report any change in the company's internal control over financial reporting that occurred during the company's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting;
6. We have disclosed based on our most recent evaluation, wherever applicable, to the Company's Auditor and the Audit Committee of the company's Board of Director's;
 - i. All Deficiencies in the design or operation of internal controls, which could adversely affect the company's ability to record, process, summarise and report financial data and have identified for the company's Auditors, any material weakness in internal control over financial reporting including any corrective actions with regard to deficiencies;
 - ii. Significant Changes in internal controls during the period covered by this report, if any;
 - iii. All significant changes in Accounting Policies during the year, if any, and the same have been disclosed in the notes to the financial statements;
 - iv. Instances of significant fraud of which we are aware that involves management or other employees who have a significant role in the company's internal control system;
7. We affirm that we have not denied any personnel, access to the audit committee of the company (in respect of matters involving alleged misconduct).

BABULAL BAFNA
Chief Executive Officer
& Manager

ANJU LOHIYA
Chief Financial Officer

Date : 29th June 2007



ASHIKA CREDIT CAPITAL LIMITED

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH CORPORATE
GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENTS**

To
The Members,
Ashika Credit Capital Limited

We have examined the compliance of conditions of Corporate Governance by **Ashika Credit Capital Limited** for the year ended 31st March, 2007, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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 the opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 in the above-mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India we have to state that no investor grievances were pending for a period exceeding one month against the Company as per the records maintained by the Shareholders / Investors' Grievances Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Sah Lodha & Associates
Chartered Accountants

Place: Kolkata
SAH, FCA)
Date: 29th June, 2007
Partner

(P. K.



ANNEXURE TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION & ANALYSIS REPORT

OVERVIEW :

The NBFC sector in India comprise of a combination of few large companies that have a nation wide presence and large number of small & medium sized companies catering to the regional needs. The Indian economy witnessed another year of excellent growth with a considerable acceleration and expects to continue this growth in future. The economic scenario continued to display robust growth in spite of mixed trends with all ups and down and promises to face all challenges and to lead to progressive reforms, reduction in tariffs, growing Foreign Direct Investment (FDI). The creation of infrastructure has been revitalized, with the support of Government towards its revival, and infrastructure opportunities are opening up in rural India as well. This was revealed from the performance of stock market, which continued to acquire new growth throughout the year.

INDUSTRY STRUCTURE AND DEVELOPMENT :

The rapid pace with which the Indian financial sector –banking, insurance, capital market, mutual funds etc. is progressing has undergone a vast change due to the various reform measures taken by our Government. The steady growth and development in the field of information technology has influenced the cost structure .Non Banking Financial Companies also has contribution in the economic growth of nation. The financial sector service companies have direct influence on the economic scenario and on government policies.

RBI is making different regulations in favour of NBFCs to enable them to grow in future.

OPPORTUNITY AND THREATS :

The Indian financial sector has witnessed vast and varied changes in its growth and will continue the trend of rapid growth. As the general public is aware about the capital market there has been a drastic change in their mind, which has helped to acquire greater customer satisfaction. The company is in a good position to accept potential opportunities offered by the country. NBFCs in India have a favourable prospect.They generally create assets for the business and are succesful in generation of funds at low rate and their profitable deployment. There can also be increase in demands of funds by the corporate sectors due to the economic indicators such as low interest rates, good export performance and balance of payment position, low core inflation and proper forex reserves. Moreover the growth of the financial services sector presents new opportunities for the service industry in India.

Your company faces stiff competition from Banking companies due to their ability to grant loan at a considerably low rate of interest. Banks have an advantage of lower cost of funds, taking a big share in retail financing and providing a strong competition to NBFCs..

HUMAN RESOURCES :

The company believes that people are the valuable assets and key ingredient to the success of an organization. In the edge of competitive world, it is your professional and efficient



employees, which has helped the company to sustain competition with their competence and skill and helps to serve the customer at its best.

As a policy, the company has encouraged employee feedback to ascertain their level of satisfaction and has been striving to develop a leadership and to build a strong pool of talent. Looking after people make good business sense because, if people are motivated, service excellence will follow. There is a strong focus on teamwork and team building.

Employee's relations continue to be cordial in the Organsiation.

No employee of the company was in receipt of remuneration above the limit specified under section 217(2A) of the Companies Act, 1956.

OUTLOOK :

The financial sector companies continue to be of a strategic importance to the economy. Today NBFCs has been well regulated and supervised by RBI. Presently NBFCs is facing tough competition from domestic and foreign banks and financial institutions in the field of retail lending. To sustain competition ACCL has diversify some culture of their activities of financial services such as marketing of financial instrument, short term financing, and loan syndication activities etc. Great emphasis has been laid for expansion of plans and executing the same. New innovative ideas have been implemented in the organization to move a step ahead in this competitive edge.

RISKS AND CONCERNS :

The risks and uncertainties stands together , but are not limited to. The company provides various financial services including short term and long-term financial assistance to its clients. With this aroma of development spreading all across the country, your company had unveiled itself into the sea of opportunities and avenues of growth and has undertook its own specific risks that are related to its business & environment within which it works, including fluctuations of interest rates, economic cycle etc. Your company manages this risk by maintaining prudent and commercial business practices and take utmost care in recovering its dues from its clients.

INTERNAL CONTROL SYSTEM :

The company has in place adequate internal control systems and procedures commensurate with the size and nature of its business. The procedures are designed to ensure that all the assets and resources are used efficiently and are adequately protected. There exists a proper definition of roles and responsibilities across the organization to ensure information flow and effective monitoring Internal Audit is being carried out and it covers all key areas of business. All significant observations and reviews are being reported to the Audit Committee and follow up actions are then implemented. All internal policies and statutory guidelines are complied with spirit.

Looking to the present, volume and nature of business, the internal audit and control systems and procedures that are currently in place, are considered to be adequate.



OPERATIONAL PERFORMANCE :

The Company is concentrating on its core business as an NBFC company and continue to expand its product offerings, geographical presence and customer relationships . New and improved ideas and well established systems and procedures in the organization during the period has helped the company to rise.

The strengthening of Management team which comprises of effective, hard working, elegant, well professionally qualified employees having wide spectrum and vast knowledge in the financial sector has helped the company to achieve a faster growth. The management and its policies are the pillars, the pursuance and applications of which lead the company to the reach the desired growth.

CAUTIONARY STATEMENT :

Statements in the Management Discussion & Analysis Report describing company projections, estimates, expectations or predictions may be forward looking prediction within the meaning of applicable laws and regulations. These forward-looking statements are based on certain assumptions and expectations of future events on which the company exercises no control. Actual results may differ materially from such estimates, projections etc. whether express or implied.

For and on behalf of the Board of Directors

Place : Kolkata

Date : 29th June, 2007

**(Pawan Jain)
Chairman**



AUDITORS' REPORT

To The Members of
ASHIKA CREDIT CAPITAL LIMITED

1. We have audited the attached Balance Sheet of **Ashika Credit Capital Limited** (the 'Company') as at 31st March, 2007 and the relative Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standard generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also include assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order 2003, issued by the Central Government of India in accordance to section 227(4A) of the Companies Act 1956, and on the basis of our checks as we considered appropriate and according to information and explanations given to us during the course of our audit, we enclose in the Annexure, a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that :
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purposes of the audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors as on 31st March 2007, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2007 from being appointed as a director in terms of sub section 1(g) of section 274 of the Companies Act, 1956;

ASHIKA CREDIT CAPITAL LIMITED



- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the schedules and notes thereon and attached thereto give the information required by the Companies Act, 1956 in conformity with the accounting principles generally accepted in India and give a true and fair view:-
- i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2007;
 - ii) In the case of Profit and Loss Account of the profit for the year ended on 31st March, 2007; and
 - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on 31st March, 2007.

For SAH LODHA & ASSOCIATES
Chartered Accountants

**58D, Netaji Subhash Road,
Kolkata - 700 001**

Date: 29th June, 2007

(P. K. SAH, FCA)
Partner

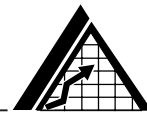
Mem. No. 56216



**ANNEXURE TO THE AUDITORS' REPORT -
ASHIKA CREDIT CAPITAL LIMITED**

[Referred to in paragraph (3) of our report of even date]

- (i) (a) The Company, we have been informed, has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As per information and explanations given to us, the fixed assets have been physically verified by the management at reasonable intervals under a phased programme. We have been informed, no material discrepancies have been found on such physical verifications.
- (c) During the year, the Company has disposed off substantial part of its fixed assets. We have been informed that such disposal of fixed assets, however, has not affected the going concern.
- (ii) The Company does not have any stock in trade as on the Balance Sheet date and accordingly clause (ii) of the said Order is not applicable to the Company.
- (iii) (a) The Company has granted unsecured loans to three companies covered in the Register maintained u/s.301 of the Companies Act, 1956. The maximum amount involved are Rs.1144.60 lacs and the year end closing are Rs.44.18 lacs ;
- (b) The rate of interest and other terms and conditions of such unsecured loans given by the company, are prima-facie not pre-judicial to the interest of the Company;
- (c) The receipt of the principal amount and interest are as per stipulation;
- (d) There are no overdue amount in respect of such loans granted by the Company;
- (e) The Company has taken unsecured loans from three companies covered in the Register maintained u/s.301 of the Companies Act, 1956. The maximum amount involved during the year of Rs.1019 lacs and the amount outstanding as on the balance sheet date is 111.98 lacs;
- (f) In our opinion, the rate of interest and other terms and conditions of such unsecured loans taken by the company as aforesaid, are prima-facie, not prejudicial to the interest of the Company;
- (g) The payment of the principal amount and interest are regular.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and shares and securities investments and for sale of goods and services. We have not observed any continuing failure to correct major weaknesses in such internal controls.



- (v) (a) According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so recorded in the register.
- (b) In our opinion and according to the information and explanations given to us, where each of such transactions (excluding loans reported in paragraph (iii) above) is in excess of Rs.5 Lacs in respect of any party, the transactions have been made at prices which are, prima-facie, reasonable having regard to the prevailing market prices at the relevant time, except that the company has granted interest free margin deposit to two companies of a total amount of Rs.1830 lacs (year end outstanding Rs.230 lacs);
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public within the meaning of the section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the companies (Acceptance of Deposits) Rules, 1975 with regard to the deposit accepted from the public.
- (vii) We have informed, the company does not have formal internal audit system and the internal control is exercised departmentally;
- (viii) According to the information and explanations given to us, the maintenance of cost records prescribed by the Central Government under clause (d) of sub-section (1) of Section 209 of the Act is not applicable to the Company.
- (ix) (a) According to the records of the Company and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Service Tax, Cess and other material statutory dues as applicable to it with the appropriate authorities during the year.
- (b) According to the information and explanations given to us, there is no amount payable in respect of the aforesaid statutory dues the have been deposited on account of any dispute.
- (x) The Company does not have any accumulated losses at the end of the financial year and the Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year;
- (xi) The Company has no dues of financial institution, bank or debenture holders ;
- (xii) According to the information and explanation given to us, we are of the opinion that the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) Clause (xiii) of the Order is not applicable to the Company as the Company is not a chit fund Company or nidhi / mutual benefit fund / society.



ASHIKA CREDIT CAPITAL LIMITED

- (xiv) The Company has maintained proper records of transactions and contracts in respect of dealing and trading in shares, securities etc. and timely entries have been made therein. The aforesaid securities have been held by the company in its own name.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) According to the information and explanations given to us, in our opinion, the Company have neither obtained nor applied any term loans during the year.
- (xvii) On the basis of our review of utilization of funds, we are of the opinion that the funds raised on short term basis have, prima facie, not been used for long term investment by the Company.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures. Accordingly clause (xviii) of the said Order is not applicable.
- (xx) The Company has not raised any money by public issues during the year under review.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For SAH LODHA & ASSOCIATES
Chartered Accountants

**58D, Netaji Subhash Road,
Kolkata - 700 001**

Date: 29th June, 2007

(P. K. SAH, FCA)
Partner

Mem. No. 56216

ASHIKA CREDIT CAPITAL LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2007

	SCHEDULES	As at 31st March, 2007 Rs.	As at 31st March, 2006 Rs.
<u>SOURCES OF FUNDS</u>			
SHAREHOLDERS' FUNDS			
Share Capital	1	49,964,955.00	49,964,955.00
Reserves and Surplus	2	43,180,189.79	42,799,307.76
		93,145,144.79	92,764,262.76
LOAN FUNDS			
Unsecured Loans	3	128,971,272.00	6,046,536.00
TOTAL		222,116,416.79	98,810,798.76
<u>APPLICATIONS OF FUNDS</u>			
FIXED ASSETS			
Gross Block	4	1,259,793.00	10,215,278.61
Less: Depreciation		645,370.64	2,291,019.73
Net Block		614,422.36	7,924,258.88
INVESTMENTS (At Cost)	5	58,151,000.00	76,010,000.00
CURRENT ASSETS, LOANS & ADVANCES			
Cash & Bank Balances	6	1,118,569.75	3,493,859.95
Sundry Debtors	7	131,100.00	64,902.00
Loans & Advances	8	163,368,393.55	15,855,527.11
		164,618,063.30	19,414,289.06
LESS :- CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	9	616,760.40	2,730,841.09
Provisions	10	574,426.00	1,337,630.00
		1,191,186.40	4,068,471.09
NET CURRENT ASSETS		163,426,876.90	15,345,817.97
DEFERRED TAX ASSETS /(LIABILITIES)		(75,882.47)	(469,278.09)
TOTAL		222,116,416.79	98,810,798.76
ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS	17		

SCHEDULES '1' TO '10' AND '17' REFERRED TO ABOVE FORM AN INTEGRAL PART OF THE BALANCE SHEET

This is the Balance Sheet referred to in our report of even date

	P. K. SAH, FCA <i>Partner</i>	For and on behalf of the Board
Place : Kolkata	For and on behalf of	Pawan Jain (Director)
Dated : 29th June, 2007	Sah Lodha & Associates Chartered Accountants	Daulat Jain (Director)
		Anju Lohiya (Company Secretary)

**ASHIKA CREDIT CAPITAL LIMITED****PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007**

	SCHEDULES	Year ended	Year ended
		31st March, 2007	31st March, 2006
		Rs.	Rs.
INCOME			
Sale of Shares etc.		-	427,247,972.12
Profit from Derivatives / Intra day Trading in Shares etc.		72,089.86	14,445,861.99
Interest Income	11	6,899,951.00	4,862,486.36
Profit on Sale of Investments in Shares		1,253,000.00	1,621,416.63
Other Income	12	-	<u>3,717,237.40</u>
		8,225,040.86	<u>451,894,974.50</u>
EXPENDITURE			
Purchase of Shares etc.		-	412,596,952.55
(Increase)/Decrease in Stocks of Shares etc.	13	-	13,841,259.90
Other Direct Expenses	14	9,691.81	378,426.76
Administrative & Other Expenses	15	4,540,868.40	6,464,806.03
Loss on Sale of Fixed Assets		170,489.98	-
Auditors' Remuneration		69,625.40	<u>54,814.00</u>
		4,790,675.59	<u>433,336,259.24</u>
PROFIT BEFORE INTEREST, DEPRECIATION & TAXATION			
		3,434,365.27	18,558,715.26
LESS : Interest Paid	16	1,929,925.00	<u>10,009,042.56</u>
PROFIT BEFORE DEPRECIATION AND TAXATION			
		1,504,440.27	8,549,672.70
LESS : Depreciation		42,169.00	<u>566,792.48</u>
PROFIT BEFORE TAXATION			
		1,462,271.27	7,982,880.22
LESS : Provision for Taxation			
- Current Tax	539,086.00		434,688.00
- Deferred Tax Liabilities / (Assets)	(393,395.62)		71,179.40
- Fringe Benefit Tax	35,340.00	181,030.38	<u>72,069.00</u>
PROFIT AFTER TAXATION			
		1,281,240.89	7,404,943.82
Add/(Less) : Securities Transaction Tax relating to the earlier year written off		(900,358.86)	
Add/(Less) : Balance brought forward from previous year		9,973,635.36	<u>4,049,680.54</u>
Profit Available for Appropriation		10,354,517.39	<u>11,454,624.36</u>
APPROPRIATIONS			
Transfer to Statutory Reserves		256,248.00	1,480,989.00
Balance Carried to Balance Sheet		10,098,269.39	<u>9,973,635.36</u>
		10,354,517.39	<u>11,454,624.36</u>
Earnings per Share (in Rs.)		0.26	1.48
[Refer note no. B (11) in Schedule 17]			

ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS 17
SCHEDULES '11' TO '17' REFERRED TO ABOVE FORM AN INTEGRAL PART OF THE PROFIT & LOSS ACCOUNT

This is the Profit & Loss Account referred to in our report of even date

	P. K. SAH, FCA <i>Partner</i>	For and on behalf of the Board
Place : Kolkata	For and on behalf of	Pawan Jain (Director)
Dated : 29th June, 2007	Sah Lodha & Associates Chartered Accountants	Daulat Jain (Director)
		Anju Lohiya (Company Secretary)



**SCHEDULES TO THE ACCOUNTS AS AT AND FOR THE YEAR ENDED
ON 31ST MARCH, 2007**

	As at 31st March 2007 <u>Rs.</u>	As at 31st March 2006 <u>Rs.</u>
SCHEDULE - 1		
<u>SHARE CAPITAL</u>		
Authorised		
52,50,000 Equity Shares of Rs.10/- each	52,500,000.00	52,500,000.00
Issued & Subscribed		
50,01,000 Equity Shares of Rs.10/- each	50,010,000.00	50,010,000.00
Paid Up		
Fully Called and paid up in cash		
49,94,826 Equity Shares of Rs.10/- each	49,948,260.00	49,948,260.00
Add: Forfeited shares	16,695.00	16,695.00
	49,964,955.00	49,964,955.00
SCHEDULE - 2		
<u>RESERVES & SURPLUS</u>		
Share Premium Account		
Balance as per Last Account	(A) 29,187,000.00	29,187,000.00
Statutory Reserve		
Balance as per Last Account	3,638,672.40	2,157,683.40
Add: Transferred during the year	256,248.00	1,480,989.00
	(B) 3,894,920.40	3,638,672.40
Profit & Loss Account		
Surplus Balance	(C) 10,098,269.39	9,973,635.36
	(A+B+C) 43,180,189.79	42,799,307.76
SCHEDULE - 3		
<u>UNSECURED LOANS</u>		
(including Interest Accrued and due)		
From Bodies Corporate	128,971,272.00	6,046,536.00



SCHEDULES TO THE ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2007

**SCHEDULE - 4
FIXED ASSETS**

PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 1st April, 2006	Additions/ Adjustments	Withdrawals/ Adjustments	As at 31st Mar 2007	As at 1st April 2006	For the period	Deductions/ Adjustments	As at 31st Mar 2007	As at 31st Mar 2006	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
BUILDING	626,110.00	-	-	626,110.00	33,167.79	10,204.00	-	43,371.79	582,738.21	592,942.21
PLANT & MACHINERY										
FAX MACHINE	22,000.00	-	22,000.00	-	11,910.00	-	11,910.00	-	-	10,090.00
TYPE MACHINE	7,319.00	-	7,319.00	-	4,174.98	261.00	4,435.98	-	-	3,144.02
AIR CONDITIONER	748,248.00	-	748,248.00	-	121,382.18	-	121,382.18	-	-	626,865.82
CELLULAR PHONE	101,879.00	-	101,879.00	-	32,709.74	3,630.00	36,339.74	-	-	69,169.26
PAGER	32,429.40	-	32,429.40	-	14,193.16	1,155.00	15,348.16	-	-	18,236.24
TELEPHONE	54,082.00	-	54,082.00	-	28,651.72	1,926.00	30,577.72	-	-	25,430.28
XEROX MACHINE	59,324.32	-	59,324.32	-	23,130.05	-	23,130.05	-	-	36,194.27
CCTV SYSTEM	104,847.00	-	104,847.00	-	5,062.11	-	5,062.11	-	-	99,784.89
AUDIO SYSTEM	51,333.00	-	51,333.00	-	2,478.40	-	2,478.40	-	-	48,854.60
TIME ATTENDANING MACHINE	133,603.00	-	133,603.00	-	6,450.46	23,718.00	6,450.46	-	-	127,152.54
MOTOR CAR	577,615.00	-	577,615.00	-	339,130.49	-	362,848.49	-	-	238,484.51
COMPUTER & PRINTER	633,683.00	-	-	633,683.00	601,998.85	-	-	601,998.85	31,684.15	31,684.15
FURNITURE & FIXTURES										
FILING CABINET	44,131.60	-	44,131.60	-	28,672.24	-	28,672.24	-	-	15,459.36
FURNITURE	6,256,520.29	-	6,256,520.29	-	939,441.24	-	939,441.24	-	-	5,317,079.05
EPBX MACHINE	735,310.00	-	735,310.00	-	86,412.99	-	86,412.99	-	-	648,897.01
WATER COOLER	26,844.00	-	26,844.00	-	12,053.33	1,275.00	13,328.33	-	-	14,790.67
TOTAL	10,215,278.61	-	8,955,485.61	1,259,793.00	2,291,019.73	42,169.00	1,687,818.09	645,370.64	614,422.36	7,924,258.88
TOTAL OF PREVIOUS YEAR	9,702,707.03	512,571.58	-	10,215,278.61	1,724,227.25	566,792.48	-	2,291,019.73	7,924,258.88	7,978,479.78

Note: Depreciation has been provided on Straight Line Method at the rates specified in schedule -XIV to the Companies Act, 1956 on pro-rata basis.

ASHIKA CREDIT CAPITAL LIMITED

**SCHEDULES TO THE ACCOUNTS AS AT AND FOR THE YEAR ENDED
ON 31ST MARCH, 2007**

	As at 31st March 2007 <u>Rs.</u>	As at 31st March 2006 <u>Rs.</u>
SCHEDULE - 5		
INVESTMENTS		
Long Term - Non- Trade (at cost)		
Equity Shares - (Unquoted)		
Fully Paid Up of Rs.10/- each		
<i>In Subsidiary Companies</i>		
1050000 Sh. Ashika Capital Ltd.	52,983,000.00	52,983,000.00
47000 Sh. Ashika Properties Ltd.	4,700,000.00	4,700,000.00
	57,683,000.00	57,683,000.00
<i>In Associate Companies</i>		
1190600 Shares Ashika Stock Broking Ltd. #	-	17,859,000.00
Aggregate book value of Unquoted Investments (A)	57,683,000.00	75,542,000.00
Government Securities		
12.3% Government of India Stocks (B/F) (B)	468,000.00	468,000.00
	58,151,000.00	76,010,000.00
# Sold during the year		

SCHEDULE - 6
CASH AND BANK BALANCES

Cash in Hand	137,996.33	97,443.33
<i>(As certified by Management)</i>		
Cheque in Hand	315,763.00	1,586,306.45
Balances with Scheduled Banks		
<i>In Current Accounts</i>	664,810.42	1,810,110.17
	1,118,569.75	3,493,859.95

SCHEDULE - 7
SUNDRY DEBTORS

<i>(Unsecured, considered good)</i>		
Debts outstanding exceeding six months	-	-
Other Debts	131,100.00	64,902.00
	131,100.00	64,902.00



SCHEDULES TO THE ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2007

	As at 31st March 2007 <u>Rs.</u>	As at 31st March 2006 <u>Rs.</u>
SCHEDULE - 8		
<u>LOANS AND ADVANCES</u>		
Loans and Other Credit Facilities		
Standard Assets		
- Secured, Considered Good (refer note no. B (5) in Schedule -17)	17,384,017.00	-
- Unsecured, Considered Good	115,914,957.68	1,630,565.68
	133,298,974.68	1,630,565.68
Less: Cash Security (Interest free)	1,260,000.00	-
	132,038,974.68	1,630,565.68
Advances recoverable in cash or in kind or for value to be received		
Prepaid Expenses	-	38,801.67
Interest accrued but not due :		
<i>On Govt. Securities</i>	12,300.00	12,300.00
Margin Money Deposits	23,000,000.00	9,500,000.00
Share Application Money (<i>pending allotment</i>)	2,500,000.00	-
Security Deposits	94,163.00	1,044,163.00
Other Advances	3,878,737.00	775,097.33
Tax Payments :		
Prepaid Income Tax	1,844,218.87	2,854,599.43
	163,368,393.55	15,855,527.11
SCHEDULE - 9		
<u>CURRENT LIABILITIES</u>		
Sundry Creditors :		
- For Fixed Assets	-	4,696.00
- For Purchases	-	183,134.96
- For Expenses	159,113.60	475,220.33
- For Others	404,746.00	2,014,889.00
Unclaimed Dividend	52,900.80	52,900.80
	616,760.40	2,730,841.09
SCHEDULE -10		
<u>PROVISIONS</u>		
For Income Tax:		
<i>Asst. Year 2007-08</i>	539,086.00	-
<i>Earlier Years</i>	-	1,265,561.00
Fringe Benefit Tax:		
<i>Asst. Year 2007-08</i>	35,340.00	-
<i>Earlier Year</i>	-	72,069.00
	574,426.00	1,337,630.00

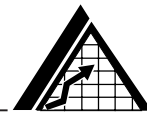


**SCHEDULES TO THE ACCOUNTS AS AT AND FOR THE YEAR ENDED
ON 31ST MARCH, 2007**

	As at 31st March 2007 <u>Rs.</u>	As at 31st March 2006 <u>Rs.</u>
SCHEDULE -11		
<u>INTEREST INCOME</u>		
Interest on Loans & Other Credit Facilities <i>(including TDS Rs. 11,50,830/- P. Y. Rs.7,52,547/-)</i>	6,850,751.00	4,087,276.33
Interest on Margin Deposits <i>(including TDS Rs. NIL P. Y. Rs.1,43,488/-)</i>	-	639,426.00
Interest from Govt. Securities	49,200.00	49,200.00
Other Interest <i>(including TDS Rs. NIL P. Y. Rs.19,429/-)</i>	-	86,584.03
	<u>6,899,951.00</u>	<u>4,862,486.36</u>
SCHEDULE -12		
<u>OTHER INCOME</u>		
Rent Received <i>(including TDS Rs. Nil P. Y. Rs.1,41,372/-)</i>	-	900,000.00
Dividend - on Investment	-	3,757.50
Dividend - on Stock-in-Trade	-	2,813,479.90
	-	<u>3,717,237.40</u>
SCHEDULE -13		
<u>(INCREASE)/DECREASE IN STOCKS OF SHARES ETC.</u>		
Opening Stock	-	13,841,259.90
Less: Closing Stock	-	-
	-	<u>13,841,259.90</u>
SCHEDULE - 14		
<u>OTHER DIRECT EXPENSES</u>		
Service Tax Paid	176.36	91,488.47
Stamp Charges	6,771.01	219,123.00
Transaction Charges	1,352.91	62,287.59
Demat Charges	1,391.53	5,527.70
	<u>9,691.81</u>	<u>378,426.76</u>

**SCHEDULES TO THE ACCOUNTS AS AT AND FOR THE YEAR ENDED
ON 31ST MARCH, 2007**

	As at 31st March 2007 <u>Rs.</u>	As at 31st March 2006 <u>Rs.</u>
SCHEDULE - 15		
<u>ADMINISTRATIVE AND OTHER EXPENSES</u>		
Salary ,Bonus and other allowances	1,677,201.00	1,617,971.00
Staff Welfare Expenses	84,653.00	145,645.43
Employer's Contribution to Provident Fund	98,886.00	-
Travelling and Conveyance	173,883.02	209,106.12
Printing and Stationary	69,906.50	67,829.50
Postage and Courier	38,661.00	25,199.00
Telephone Expenses	92,313.00	173,021.00
Mobile Phone Charges	88,890.12	159,671.01
Rent & Electricity	-	1,738,648.00
Car Maintenance Expenses	56,330.00	221,116.00
Miscellaneous Expenditure	234,416.00	329,622.19
Business Promotion Expenses	23,849.00	137,746.29
Repairs & Maintenance	30,183.67	280,814.45
Donations	500,000.00	-
Professional Fees	10,107.00	12,421.00
Insurance Charges	5,008.00	10,623.59
Fees & Subscription	55,794.00	52,845.00
Advertisement	8,306.50	44,429.69
Directors' Meeting Fees	88,000.00	34,500.00
Bank Charges & Commission	2,217.33	3,476.69
Sundry Balances Written off	2,263.26	120.07
Payment to Director		
M.D.'s Remuneration (Minimum Remuneration)	1,200,000.00	1,200,000.00
	<u>4,540,868.40</u>	<u>6,464,806.03</u>
SCHEDULE - 16		
<u>INTEREST PAID</u>		
Interest on Unsecured Loans	1,924,420.00	9,292,990.56
Other Interest	5,505.00	716,052.00
	<u>1,929,925.00</u>	<u>10,009,042.56</u>



SCHEDULES TO AND FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2007

SCHEDULES –17

ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

A) ACCOUNTING POLICIES

1. Basis of Accounting :

The Financial Statements have been prepared under the historical cost convention on an accrual basis.

2. Use of Estimates

The presentation of financial statements in conformity with the generally accepted accounting principles require estimates and assumptions to be made that effect the reported amount of assets and liabilities on the date of the financial statements and reported amount of revenue and expenses during the reported period. Difference between the actual results and estimates are recognized in the year in which the results are known / materialized.

3. Revenue Recognition

- a) Interest Income from financing activities and others is recognized on an accrual basis.
- b) Transaction in respect of Investment / dealing in securities are recognized on trade dates.
- c) Dividend Income is recognized when the right to receive the dividend is unconditional at the balance sheet date.
- d) Prudential norms prescribed by Reserve Bank of India for revenue recognition, asset classification and provisioning are followed.

4. Fixed Assets :

Fixed Assets are stated at cost, less accumulated depreciation thereon. Cost comprises of purchase price, duties, taxes and incidental expenses.

5. Depreciation on Fixed Assets :

Depreciation on tangible asset is provided on Straight Line Method at the rates specified in the Schedule XIV of the Companies Act, 1956. Depreciation on addition to fixed asset is provided on pro-rata basis from the date the asset is put to use. Depreciation on sale / deduction from fixed asset is provided for to the date of sale / deduction, as the case may be.

6. Impairment of Fixed Assets

An asset is treated as impaired when carrying cost of asset exceeds its recoverable amount. An impairment loss is charged to the profit & loss account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period, if any is reversed if there has been a change in the estimate of the recoverable amount. None of the Company's Fixed Assets are considered impaired as on the Balance Sheet date.

7. Investment

Long Term Investments are stated at cost. Provision is made for diminution in value, considering the nature and extent as permanent diminution.

8. Stock-in-Trade

Closing Stock of shares are valued script wise at lower of cost or fair value.



SCHEDULES TO AND FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2007

SCHEDULES –17 : ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS (Contd.)

9. Retirement Benefits

Company's contribution to Provident Fund is charged to Profit and Loss Account. Provision for Gratuity has not been made, as the Company is not statutorily liable to pay the same since none of the employees are eligible. Leave encashment, if any, is accounted for at the time of payment. No other retirement benefits are payable by the Company.

10. Taxes on Income

Tax expense (tax saving) is the aggregate of current year tax and deferred tax charged (or credited) to the Profit & Loss Account for the year.

a) Current Tax:

The current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with the relevant tax regulations applicable to the Company.

b) Deferred Tax:

Deferred Tax resulting from timing differences between book and tax profit is recognized in the financial statement using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

11. Equity Index / Stock Futures

- a) Initial margin / additional margin paid for entering into contract for equity index / stock futures which are released on final settlement / squaring off the underlying contract, are disclosed under Loans and Advances.
- b) The profit or loss on final settlement or squaring up of the contracts is calculated as the difference between the settlement / squaring up price and the contract price. Accordingly, debit / credit balance pertaining to the settled / squared up contract in Mark to Market Margin – Equity Index / Stock Futures Account after adjustment of the provision for the anticipated loss, if any is recognized in profit and loss Account
- c) As on the Balance Sheet date, profit / loss on open position is accounted for as follows :
 - Credit balance in the mark to market margin, being the anticipated profit is ignored,
 - Debit balance in the mark to market margin, being the anticipated loss is adjusted in the profit & loss Account.

12. Provisions, Contingent Liabilities and Contingent Assets :

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent liability is disclosed for (1) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (2) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation can not be made.

Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.



SCHEDULES TO AND FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2007

SCHEDULES –17 : NOTES ON ACCOUNTS (Contd.)

B) NOTES TO THE ACCOUNTS

1. In the opinion of the Board and to the best of their knowledge and belief the realisable value of Current Assets in the ordinary course of business, would not be less than the amount at which they are stated at the Balance Sheet. Provision for all known liabilities are provided for in full in the book of accounts and the same are adequate and not in excess of the amount reasonably necessary.
2. Auditor's Remuneration includes Statutory Audit Fees Rs.41,000/- (previous year Rs.32,000/-), Tax Audit fees Rs.11,000/- (previous year : Rs.8,000/-) and Certification fees Rs.10,000/- (previous year Rs.9,000/-) and Service Tax Rs.7,625.40 (previous year : Rs.5814/-) .
3. Loans and Advances includes –
 - a) Rs.29,98,191/- due from M/s Ashika Forex Services Pvt Ltd , a Company in which two of the directors are interested . Maximum outstanding amount at a point of time is Rs.35,60,000/-
 - b) Rs.14,19,597/- due from M/s Ashika Insurance Broking & Risk Management Pvt Ltd , a Fellow Subsidiary. Maximum amount outstanding at a time is Rs.2,14,00,000/-.
4. Margin Money Deposits under (Loans and Advances) includes -
 - a) Rs.1,15,00,000/- (interest free) to M/s Ashika Commodities & Derivatives Pvt Ltd , a Company two of the directors are interested.
 - b) Rs.1,15,00,000/- (interest free) to M/s Ashika Stock Broking Ltd , an associate Company (till 31st January'2007) and also a company in which two of the directors are interested.
5. Secured loans and other credit facilities given to customers amounting to Rs.1,73,84,017/- is secured against cash margin of Rs12,60,000/- and margin of tradable shares lying in the depository account of the Company, having market value as on 31st March'2007 is Rs.3,11,18,365/-.
6. Expenditure in Foreign Currency : NIL
7. There are no dues outstanding to small scale industrial undertakings as on the balance sheet date.
8. There is no Contingent Liabilities on the Balance Sheet date.
9. The components of Net Deferred Tax Assets/ (Liabilities) are:

Amount (Rs.)

	Deferred Tax Assets / (Liabilities) as at 01/04/2006	Current Year Charge/(Credit)	Deferred Tax Assets / (Liabilities) as at 31/03/2007
Difference between book depreciation and tax Depreciation on Fixed Assets	(4,69,278.09)	3,93,395.62	(75,882.47)
Total (Net)	(4,69,278.09)	3,93,395.62	(75,882.47)

Note: Deferred Tax Assets on carried forward capital loss is not recognised in view of uncertainty of its recovery.



SCHEDULES TO AND FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2007

SCHEDULES –17 : NOTES ON ACCOUNTS (Contd.)

10. Additional information pursuant to the provisions of paras 3, 4C and 4D of part II of Schedule VI of the Companies Act, 1956 are not applicable for the year under review.

11. Basic and Diluted Earning Per Share :

For the purpose of calculation of Basic and Diluted Earnings Per Share the following amounts are considered:

Particulars	Amount (Rs.)	
	2007-2008	2006-2007
Profit considered for calculating EPS (Net Profit after Tax)	12,81,240.89	74,04,943.82
Weighted average number of Equity Shares (Nos.)	4,994,826	4,994,826
Nominal value of Equity Shares	10.00	10.00
Basic and Diluted Earnings per Share (Rs.)	0.26	1.48

12. In the opinion of the management , during the year the company is mainly engaged in the business of Finance Company. All other activities of the Company revolves around the main business. As such, there are no separate reportable segments.

13. Related Parties Disclosures as per applicability of AS-18

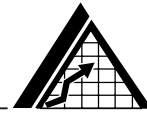
Names of the related parties with whom transactions have been entered and description of relationship:

a) Related Party where significant Influence exists

Subsidiaries :	Ashika Capital Limited
Fellow Subsidiaries :	Ashika Properties Private Limited (Subsidiary of Ashika Capital Limited)
	Ashika Insurance Broking & Risk Management Private Limited (Subsidiary of Ashika Capital limited)
Associate Company :	Ashika Stock Broking Limited (upto 31 st January'2007)

b) Key Management Personnel

Mr. Pawan Jain	Managing Director
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**SCHEDULES TO AND FORMING PART OF ACCOUNTS AS AT AND FOR
THE YEAR ENDED ON 31ST MARCH, 2007**

SCHEDULES –17 : NOTES ON ACCOUNTS (Contd.)

c) Transactions during the year with Related parties :

	Subsidiaries	Associate Company (Upto 31st January, 07)	Key Management Personnel	Total
Loans Granted				
a) Given during the year	21400000	-	-	21400000
b) Returned during the year	20000000	-	-	20000000
c) Balance as at 31 st March,2007 (Including Accrued Interest)	1419597	-	-	1419597
Margin Money Granted				
a) Given during the year	-	183000000	-	183000000
b) Returned during the year	-	171500000	-	171500000
c) Balance as at 31 st March,2007	-	11500000	-	11500000
Sale of Investments	-	-	23812000	23812000
Sale of Fixed Assets	-	6947378	-	6947378
Stock Market Transactions				
a) Income/(Expenditure) from Derivatives/ Intra-day Trading	-	72089.86	-	72089.86
b) Receivables/ (Payables)	-	-	-	-
Income				
a) Interest on Loan granted	25267	-	-	25267
Expenditure				
a) Managerial Remuneration	-	-	1200000	1200000
b) Depository Charges	-	648	-	648

Note : In the opinion of the Company, non-executive directors are not Key Management Personnel for AS-18. Hence, transactions with non-executive directors are not considered for the above disclosure. Figures has been rounded off to the nearest rupee for presentation purpose



SCHEDULES TO AND FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2007

SCHEDULES –17 : NOTES ON ACCOUNTS (Contd.)

14. Disclosure of details as required by para 9BB of Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998

Particulars	Amount (Rs.)	
	Amount Outstanding	Amount Overdue
1. Loans and advances availed by NBFC inclusive of interest accrued thereon but not paid :		
a) Debentures	-	-
b) Deferred Credits	-	-
c) Term Loans	-	-
d) Inter-corporate loans and borrowings	128971272	-
e) Commercial Paper	-	-
f) Public Deposits	-	-
g) Other Loans	-	-
2. Break up of (1)(f) above (Outstanding Public deposits inclusive of interest accrued thereon but not paid) :		
a. In the form of Unsecured debentures	-	
b. In the form of partly Secured Debentures i.e. debentures where there is a shortfall in the value of security	-	
c. Other public deposits	-	
3. Break up of Loans and Advances including bills receivable [other than those included in (4) below] :		
a) Secured	17384017	
b) Unsecured	115914958	
4. Break up Leased Assets and stock on hire and hypothecation loans counting towards Equipment Leasing / Hire Purchase activities :		
a) Lease assets including lease rentals under sundry debtors	-	
b) Stock on hire including hire charges under sundry debtors	-	
c) Hypothecation Loans counting towards Equipment Leasing / Hire Purchase activities	-	
5. Break up of Investments :		
A) Current Investments :		
a) Quoted		
i) Shares		
- Equity	-	
- Preference	-	
ii) Debentures & Bonds	-	



SCHEDULES TO AND FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2007

SCHEDULES -17 : NOTES ON ACCOUNTS (Contd.)

<ul style="list-style-type: none"> iii) Units of Mutual Funds iv) Government Securities v) Others 	-	-	-
<ul style="list-style-type: none"> b) Unquoted <ul style="list-style-type: none"> i) Shares <ul style="list-style-type: none"> - Equity - Preference ii) Debentures & Bonds iii) Units of Mutual Funds iv) Government Securities v) Others 	-	-	-
<ul style="list-style-type: none"> B) Long Term Investments : <ul style="list-style-type: none"> a) Quoted <ul style="list-style-type: none"> i) Shares <ul style="list-style-type: none"> - Equity - Preference ii) Debentures & Bonds iii) Units of Mutual Funds iv) Government Securities v) Others 	-	-	-
<ul style="list-style-type: none"> b) Unquoted <ul style="list-style-type: none"> i) Shares <ul style="list-style-type: none"> - Equity - Preference ii) Debentures & Bonds iii) Units of Mutual Funds iv) Government Securities v) Others 	57683000	-	468000
6. Borrower group-wise classification of all leased assets-stock on hire and loans and advances :	Amount Net of Provisions		
	Secured	Unsecured	Total
<ul style="list-style-type: none"> a) Related Parties <ul style="list-style-type: none"> i) Subsidiaries ii) Companies in the same group iii) Other related parties b) Other than related parties 	-	1419597	1419597
	-	2998191	2998191
	-	-	-
	-	128881187	128881187
Total	-	133298975	133298975

**SCHEDULES TO AND FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2007****SCHEDULES -18 : NOTES ON ACCOUNTS (Contd.)**

7. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :	Market Value/ Break up value or fair value or NAV	Book Value (Net of provisions)
a) Related Parties i) Subsidiaries ii) Companies in the same group iii) Other related parties	59511780 - - 468000	57683000 - - 468000
b) Other than related parties Total	59979780	58151000
8. Other Information		Amount (Rs.)
a) Gross Non Performing Assets i) Related parties ii) Other than related parties		- -
b) Net Non Performing Assets i) Related parties ii) Other than related parties		- -
c) Assets acquired in satisfaction of debt		

Note: Companies in the same group means companies under the same management as per Sec 370(1B) of the Companies Act, 1956
Figures has been rounded off to the nearest rupee for presentation purpose.

15. Previous year's figures have been rearranged or regrouped wherever deemed necessary to conform with current year presentation.

SIGNATURE TO SCHEDULES 1 TO 17

Place : Kolkata Dated : 29th June, 2007	As per our report of even date P. K. SAH, FCA <i>Partner</i> For and on behalf of Sah Lodha & Associates Chartered Accountants	For and on behalf of the Board Pawan Jain (Director) Daulat Jain (Director) Anju Lohiya (Company Secretary)
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ASHIKA CREDIT CAPITAL LIMITED



COMPANY'S GENERAL BUSINESS PROFILE AND BALANCE SHEET ABSTRACT (As required under Part IV, Schedule VI to the Companies Act, 1956)

I. Registration Details :

Registration No. :
 State Code :
 Balance Sheet Date :
 Date Month Year

II. Capital Raised During the Year : (Amt. in Rs. '000)

Public Issue	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Right Issue	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Bonus Issue	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Private Placement	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

III. Position of Mobilisation and Deployment of Funds : (Amt. in Rs. '000)

Sources of Funds	Total Liabilities	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="3"/> <input type="text" value="8"/> <input type="text" value="3"/>	Total Assets
	Paid up Capital		Reserves & Surplus
			<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="4"/> <input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="0"/>
Application of Funds	Secured Loans	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Unsecured Loans
			<input type="text" value="-"/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="8"/> <input type="text" value="9"/> <input type="text" value="7"/> <input type="text" value="1"/>
	Net Fixed Assets	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="6"/> <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="2"/> <input type="text" value="8"/> <input type="text" value="9"/> <input type="text" value="6"/> <input type="text" value="3"/>	Investments
	Net Current Assets*	<input type="text" value="-"/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="6"/>	Misc. Expenditure
	Accumulated Losses	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Deferred Tax Assets/(Liabilitise)
			<input type="text" value="-"/> <input type="text" value="9"/> <input type="text" value="7"/> <input type="text" value="6"/>

IV. Performance of Company : (Amt. in Rs. '000)

Turnover	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="8"/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="5"/>	Total Expenditure	<input type="text" value="-"/> <input type="text" value="6"/> <input type="text" value="7"/> <input type="text" value="6"/> <input type="text" value="3"/>
+ - Profit/Loss before Tax	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="text" value="-"/> <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="6"/> <input type="text" value="2"/>	+ - Profit after Tax	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="text" value="-"/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="8"/> <input type="text" value="1"/>
(Please Tick Appropriate Box + for Profit – for Loss)			
Earning Per Share	<input type="text" value="-"/> <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="6"/>	Dividend Rate%	<input type="text" value="-"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

V. Generic Names of three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code A)
 Product Description

Place : Kolkata Dated : 29th June, 2007	As per our report of even date P. K. SAH, FCA Partner For and on behalf of Sah Lodha & Associates Chartered Accountants	For and on behalf of the Board Pawan Jain (Director) Daulat Jain (Director) Anju Lohiya (Company Secretary)
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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007

	Year ended 31st March <u>2007</u> Rs.	Year ended 31st March <u>2006</u> RS.
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax	1,462,271.27	7,982,880.22
<i>Adjustments for :</i>		
Depreciation on Fixed Assets	42,169.00	566,792.48
Loss on Sale of Fixed Assets	170,489.98	-
(Profit) / Loss on Sale of Investments	(1,253,000.00)	(1,621,416.63)
Interest / Dividend Income on Investments	(49,200.00)	(52,957.50)
Interest Expenses	1,929,925.00	10,009,042.56
Operating Profit Before Working Capital Changes	2,302,655.25	16,884,341.13
<i>Adjustments for :</i>		
(Increase) / Decrease in Stock In Trade	-	13,841,259.90
(Increase) / Decrease in Trade Receivables	(66,198.00)	15,505,483.13
(Increase) / Decrease in Loans and Advances	(146,023,247.00)	14,507,711.00
Increase / (Decrease) in Trade Payables	(2,114,080.69)	(20,690,324.57)
Cash Generated From Operations	(145,900,870.44)	40,048,470.59
<i>Adjustments for :</i>		
Interest Expenses	(1,929,925.00)	(10,009,042.56)
Direct Tax Refunds / (Paid)	(1,227,608.30)	(2,133,104.86)
Net Cash From Operating Activities	(149,058,403.74)	27,906,323.17
B. CASH FLOW FROM INVESTING ACTIVITIES		
<i>Add / (Less):</i>		
Purchase of Fixed Assets (<i>incl. Capital WIP</i>)	-	(512,571.58)
Sale of Fixed Assets	7,097,177.54	-
Purchase of Investments	(131,100.00)	(29,333,000.00)
Sale of Investments	19,243,100.00	31,128,199.46
Interest / Dividend Income on Investments	49,200.00	52,957.50
Share Application Money Paid	(2,500,000.00)	-
Net Cash from Investing Activities	23,758,377.54	1,335,585.38

ASHIKA CREDIT CAPITAL LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007****C. CASH FLOW FROM FINANCING ACTIVITIES:***Add / (Less):*

Short Term Borrowings / (Repaid)	122,924,736.00	(27,284,030.00)
Dividend Paid	-	(998,965.20)
Net Cash Used In Financing Activities	122,924,736.00	(28,282,995.20)
Net Increase In Cash And Cash Equivalents (A+B+C)	(2,375,290.20)	958,913.35
Cash And Cash Equivalents As At The Beginning Of The Year	3,493,859.95	2,534,946.60
Cash And Cash Equivalents As At The Close Of The Year	1,118,569.75	3,493,859.95

Note : Previous year's figures have been regrouped wherever necessary to conform to the current year's classification.

As per our report of even date

P. K. SAH, FCA
Partner

For and on behalf of
Sah Lodha & Associates
Chartered Accountants

For and on behalf of the Board

Pawan Jain (Director)
Daulat Jain (Director)
Anju Lohiya (Company Secretary)

Place : Kolkata
Dated : 29th June, 2007

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
RELATING TO SUBSIDIARY COMPANIES**

NAME OF THE SUBSIDIARY COMPANY	ASHIKA CAPITAL LIMITED
1 Financial Year of the Subsidiary ended on	March 31, 2007
2. Share of subsidiary Company held on the above date and extent of holding i) Equity Shares ii) Extent of holding (%)	1050000 Equity shares of Rs.10/- each 100%
3. Net aggregate amount of Profit / Loss of Subsidiary for the above financial year so far as they concern members of Ashika Credit Capital Limited i) Dealt with in the accounts of Ashika Credit Capital Limited ii) Not dealt with in the accounts of Ashika Credit Capital Limited	NIL Profit of Rs. 1.82 Lacs (Current year PAT)
4. Net aggregate amount Profit / Losses for previous financial year of the subsidiary as far as it concern members of Ashika Credit Capital Limited i) Dealt with in the accounts of Ashika Credit Capital Limited. ii) Not dealt with in the accounts of Ashika Credit Capital Limited	NIL Profit of Rs. 10.61 Lacs
5. a) Changes in the holding Company's interest in the subsidiary between the end of the financial year of the subsidiary and the end of the holding Company's financial year. b) Material changes which have occurred between the end of the aforesaid Financial year of the subsidiary and the end of the holding Company's Financial year in respect of :	As the Closing of the Financial year of the subsidiary Company coincides with the closing of the Financial year of the holding Company i.e. M/s. Ashika Credit Capital Limited, Section 212 (5) of the Act is not applicable. - do -

ASHIKA CREDIT CAPITAL LIMITED



**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
RELATING TO SUBSIDIARY COMPANIES**

NAME OF THE SUBSIDIARY COMPANY	ASHIKA CAPITAL LIMITED
i) The subsidiary's fixed assets ii) Its Investments iii) Moneys lent by the subsidiary company iv) The moneys borrowed by it for any purpose other than that of meeting current liabilities	

For and on behalf Of the Board

**Pawan Jain
(Chairman)**

**Daulat Jain
(Director)**

**Place: Kolkata
Date: 29th day of June, 2007**

**Anju Lohiya
(Company Secretary)**

ASHIKA CAPITAL LIMITED



Growing & Sharing with You

**SEVENTH ANNUAL REPORT
2006-2007**

BOARD OF DIRECTORS

SRI PAWAN JAIN - *Chairman*

SRI DAULAT JAIN - *Director*

SRI KASHI PRASAD KHANDELWAL - *Director*

SRI ASHOK KUMAR AGARWAL - *Director*

SRI SAGAR JAIN - *Director*

COMPANY SECRETARY

MS. ANSHIKA HALDIA - *Company Secretary*

AUDITORS

SAH LODHA & ASSOCIATES
CHARTERED ACCOUNTANTS
58/D, NETAJI SUBHASH ROAD
3RD FLOOR, ROOM NO. 314
KOLKATA-700 001

BANKERS

CITI BANK
TAMILNAD MERCANTILE BANK LTD.
HDFC BANK LTD.

REGISTERED OFFICE

'TRINITY'
226/1, A.J.C. Bose Road
Kolkata-700 020



DIRECTORS' REPORT

Dear Shareholders,

Your Directors feel great pleasure in presenting the Seventh Annual Report of the Company along with the audited Statement of Accounts for the year ended 31st March 2007.

Financial Performance:

Financial Performance of the Company for the year ended 31st March, 2007 is as follows:

Financial Results For The Year Ended	31st March 2007	31st March 2006
Total Income	34,06,722.83	26,532,727.12
Profit/(Loss) before depreciation and tax	1,327,630.92	1,825,715.19
Less: Depreciation	562,120.50	92,912.0
Profit/(Loss) before Tax	765,510.42	1,732,803.19
Less: Provision for Taxation	583,359.78	670,961.92
Profit / (Loss) after Tax	182,150.64	1,061,841.2
Balance brought forward from previous year	2,337,905.03	1,276,063.76
Profit Available for Appropriation	2,520,055.67	2,337,905.03
Appropriations:		
Transfer to Statutory reserve u/s 45IC of the RBI Act 1934I	0	0
Surplus Carried Forward	2,520,055.67	2,337,905.03

DIVIDEND:

Keeping in view the expansion plan of the company, your directors have decided to plough back the money into the business of the company and hence express their inability to declare any dividend for the year under review.

DIRECTORS :

Pursuant to the provisions of sections 255 and 256 of the Companies Act, 1956, Mr. Pawan Jain and Mr. Sagar Jain, directors of the Company are liable to retire by rotation in the forthcoming Annual General Meeting of the Company and being eligible, offers themselves for reappointment.

AUDITORS' REPORT:

The auditors have given their report on the Annual Accounts of the Company and there is no reservation or qualification made by them. The notes given in the Auditors' Report are self-explanatory and needs no further clarification.



AUDITORS:

M/s. Sah Lodha & Associates, Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting of the Company; and being eligible, offer themselves for re-appointment. The Company has received a Certificate from the Auditors that if reappointed, they are qualified under section 224(1B) of the Companies Act, 1956 to act as the Auditors of the Company. Your directors recommend the aforesaid re-appointment.

MATERIAL CHANGES AND COMMITMENTS :

There have been no material changes and commitments affecting the financial position of the company, which have occurred since March 31 2007, being the end of the Financial Year of the Company.

STATUTORY AND OTHER INFORMATION :

There are no employees falling within the purview of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and as such the required particulars under the same has not been furnished.

There was no foreign exchange earnings or outgoes during the period under review.

Since the Company does not own any manufacturing unit, the disclosure of information on the matter required to be disclosed in terms of section 217(1)(e) of the companies act 1956 read with the Companies (Disclosures of particulars in the Report of Board of Directors) Rules 1988, is not applicable and hence not given.

DIRECTORS RESPONSIBILITY STATEMENT:

As per the relevant provisions of section 217(2AA) of the Companies Act, 1956, the Directors of your Company confirm that:

- I. In the preparation of the Annual accounts, the applicable accounting standards have been followed and there is no material departure from the same.
- II. The directors have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year.
- III. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act. 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities to the best of their knowledge and ability.
- IV. The directors have prepared the annual account on a going concern basis.

ACKNOWLEDGEMENTS:

Your Directors are grateful for the co operation and unstinted support from SEBI, Our banker, & Other regulatory authorities, State Government and Central Government, Our clients. We look forward to receiving their continued support and encouragement.

The Board of directors wishes to express its gratitude and record its sincere appreciation of the dedicated efforts and commitment of all the employees. The Directors are thankful to the esteemed shareholders for their support and the confidence reposed in the company.

For and on behalf of the Board of Directors

**Place : Kolkata
Date : 29th June, 2007**

**(Pawan Jain)
Chairman**



AUDITORS' REPORT

To The Members of ASHIKA CAPITAL LIMITED

1. We have audited the attached Balance Sheet of Ashika Capital Limited (the 'Company') as at 31st March, 2007 and the relative Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standard generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also include assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order 2003, issued by the Central Government of India in accordance to section 227(4A) of the Companies Act 1956, and on the basis of our checks as we considered appropriate and according to information and explanations given to us during the course of our audit, we enclose in the Annexure, a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that :
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purposes of the audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors as on 31st March 2007, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2007 from being appointed as a director in terms of sub section 1(g) of section 274 of the Companies Act, 1956;

ASHIKA CAPITAL LIMITED



- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the schedules and notes thereon and attached thereto give the information required by the Companies Act, 1956 in conformity with the accounting principles generally accepted in India and give a true and fair view:-
- i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2007;
 - ii) In the case of Profit and Loss Account of the profit for the year ended on 31st March, 2007; and
 - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on 31st March, 2007.

58D, Netaji Subhash Road,
Kolkata - 700 001

Date: 29th June, 2007

For SAH LODHA & ASSOCIATES
Chartered Accountants

(P. K. SAH, FCA)
Partner

Mem. No. 56216



ANNEXURE TO THE AUDITORS' REPORT – ASHIKA CAPITAL LIMITED

[Referred to in paragraph (3) of our report of even date]

- (i) (a) The Company, we have been informed, has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As per information and explanations given to us, the fixed assets have been physically verified by the management at reasonable intervals under a phased program. We have been informed, no material discrepancies have been found on such physical verifications.
- (c) During the year, the Company has not disposed off any of the fixed assets.
- (ii) The Company does not have any stock in trade as on the Balance Sheet date and accordingly clause (ii) of the said Order is not applicable to the Company.
- (iii) The Company has not granted or taken any loans, secured and unsecured to companies, firms or other parties covered in the Register maintained u/s.301 of the Companies Act, 1956 and accordingly sub clauses (a) to (e) to clause (iii) of the said Order are not applicable to the Company for the year under review.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and shares and securities held as stock in trade and for sale of goods and services. We have not observed any continuing failure to correct major weaknesses in such internal controls.
- (v) (a) According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so recorded in the register.
- (b) In our opinion and according to the information and explanations given to us, where each of such transactions is in excess of Rs.5 Lacs in respect of any party, the transactions have been made at prices which are, prima-facie, reasonable having regard to the prevailing market prices at the relevant time, except that in respect of sale of services, no comparison of prices could be made as the Company informed us that there are no prevailing market prices / alternate sources of supply.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public within the meaning of the section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the companies (Acceptance of Deposits) Rules, 1975 with regard to the deposit accepted from the public.



- (vii) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) According to the information and explanations given to us, the maintenance of cost records prescribed by the Central Government under clause (d) of sub-section (1) of Section 209 of the Act is not applicable to the Company.
- (ix) (a) According to the records of the Company and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Service Tax, Cess and other material statutory dues as applicable to it with the appropriate authorities during the year.

(b) According to the information and explanations given to us, during the year, there were no disputed dues payable in respect of Sales Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and Cess.
- (x) The Company does not have any accumulated losses at the end of the financial year and the Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) The Company has no dues of financial institutions, banks or debenture holders.
- (xii) According to the information and explanations given and based on the documents and records produced before us, the Company has not granted loan and advances on the basis of security by way of pledge of shares, debentures or other securities.
- (xiii) Clause (xiii) of the Order is not applicable to the Company as the Company is not a chit fund Company or nidhi / mutual benefit fund / society.
- (xiv) The Company has maintained proper records of transactions and contracts in respect of dealing and trading in shares, securities etc. and timely entries have been made therein. As on the Balance Sheet date the company does not hold any stock of shares or securities. However, the investments made by the company have been held by the Company in its own name.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) According to the information and explanations given to us, in our opinion, the Company have neither obtained nor applied any term loans during the year.
- (xvii) According to the information and explanations given to us and overall examination of the Balance Sheet of the Company no short term fund has been used for long term investments.



ASHIKA CAPITAL LIMITED

- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures. Accordingly clause (xviii) of the said Order is not applicable.
- (xx) The Company has not raised any money by public issues during the year under review.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For SAH LODHA & ASSOCIATES
Chartered Accountants

58D, Netaji Subhash Road,
Kolkata - 700 001

(P. K. SAH, FCA)
Partner

Date: 29th June, 2007

Mem. No. 56216

**BALANCE SHEET AS AT 31ST MARCH, 2007**

	<u>SCHEDULES</u>	As at 31st March, 2007 Rs.	As at 31st March, 2006 Rs.
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	10,500,000.00	10,500,000.00
Reserves & Surplus	2	44,492,055.67	44,309,905.03
	TOTAL	54,992,055.67	54,809,905.03
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	3	7,523,400.50	1,760,326.50
Less: Depreciation		802,731.31	240,610.81
Net Block		6,720,669.19	1,519,715.69
Capital Work-in Progress		-	3,546,457.00
		6,720,669.19	5,066,172.69
INVESTMENTS (At Cost)	4	35,728,534.00	35,000,000.00
CURRENT ASSETS, LOANS & ADVANCES			
Stock In Trade	5	-	1,954,660.70
Cash & Bank Balances	6	13,650,433.90	1,566,136.28
Sundry Debtors	7	194,650.00	332,080.00
Loans & Advances	8	1,212,080.80	24,116,358.00
		15,057,164.70	27,969,234.98
LESS : CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	9	1,830,175.00	12,235,279.40
Provisions	10	354,365.00	906,041.60
		2,184,540.00	13,141,321.00
NET CURRENT ASSETS		12,872,624.70	14,827,913.98
DEFERRED TAX LIABILITIES		(329,772.22)	(97,207.44)
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted.)			
Preliminary & Pre-Operative Expenses		-	13,025.80
	TOTAL	54,992,055.67	54,809,905.03

ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS 15

SCHEDULES '1' TO '10' AND '15' REFERRED TO ABOVE FORM AN INTEGRAL PART OF THE BALANCE SHEET

This is the Balance Sheet referred to in our report of even date

Place : Kolkata Dated : 29th June, 2007	P. K. SAH, FCA <i>Partner</i> For and on behalf of Sah Lodha & Associates Chartered Accountants	For and on behalf of the Board Pawan Jain (Director) Daulat Jain (Director) Anshika Haldia (Company Secretary)
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**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007**

	<u>SCHEDULES</u>	Year ended 31st March, 2007	Year ended 31st March, 2006
		Rs.	Rs.
INCOME			
Sale of Shares etc.		23,482,886.83	18,354,556.31
Merchant Banking Operations		10,590,276.00	8,080,954.00
Brokerage Income		18,415.00	82,487.00
Other Income	11	5,145.00	14,729.81
		<u>34,096,722.83</u>	<u>26,532,727.12</u>
EXPENDITURE			
Purchase of Shares etc.		21,245,858.60	21,213,018.49
Other Direct Expenses	12	18,740.24	52,818.41
(Increase)/Decrease in Stocks of Shares etc.	13	1,954,660.70	(1,949,860.70)
Administrative & Other Expenses	14	9,466,153.97	5,354,995.99
Loss on Sale of Fixed Assets		-	9,014.54
Loss on Sale of Investments in Shares		1,610.00	-
Auditors' Remuneration		69,042.60	13,999.40
Preliminary & Pre-Operative Expenses written off		13,025.80	13,025.80
		<u>32,769,091.91</u>	<u>24,707,011.93</u>
PROFIT BEFORE DEPRECIATION AND TAXATION		1,327,630.92	1,825,715.19
LESS : Depreciation		562,120.50	92,912.00
PROFIT BEFORE TAXATION		765,510.42	1,732,803.19
LESS : Provision for Taxation :			
- Current Tax	145,590.00		570,928.00
- Deferred Tax Liabilities	232,564.78		23,524.32
- Fringe Benefit Tax	205,205.00	583,359.78	76,509.60
PROFIT AFTER TAXATION		182,150.64	1,061,841.27
ADD / (Less) : Balance brought forward from previous year		2,337,905.03	1,276,063.76
Surplus Carried Over to Balance Sheet		2,520,055.67	<u>2,337,905.03</u>
Basic and Diluted Earnings per Share (in Rs.)		0.17	1.01
[Refer note no. B(8) in Schedule 15]			

ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS 15

SCHEDULES '11' TO '14' AND '15' REFERRED TO ABOVE FORM AN INTEGRAL PART OF THE PROFIT & LOSS ACCOUNT

This is the Profit & Loss Account referred to in our report of even date

Place : Kolkata Dated : 29th June, 2007	P. K. SAH, FCA <i>Partner</i> For and on behalf of Sah Lodha & Associates Chartered Accountants	For and on behalf of the Board Pawan Jain <i>Director</i> Daulat Jain <i>Director</i> Anshika Haldia <i>Company Secretary</i>
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SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT AND FOR THE PERIOD ENDED ON 31ST MARCH, 2007

	As at 31st March 2007 <u>Rs.</u>	As at 31st March 2006 <u>Rs.</u>
SCHEDULE - 1		
SHARE CAPITAL		
Authorised		
1,100,000 Equity Shares of Rs.10/- each	11,000,000.00	11,000,000.00
Issued & Subscribed		
1,050,000 Equity Shares of Rs.10/- each	10,500,000.00	10,500,000.00
Paid Up		
1,050,000 Equity Shares of Rs.10/- each Fully Called and Paid Up in Cash [Out of above 10,49,400 equity shares of Rs.10/- each are held by Holding Company Ashika Credit Capital Limited and 600 Shares are held by the Holding Company jointly with its nominees]	10,500,000.00	10,500,000.00
SCHEDULE - 2		
RESERVE & SURPLUS		
Share Premium Account		
Balance as per last account	41,972,000.00	41,972,000.00
Profit & Loss Account		
Surplus Balance	2,520,055.67	2,337,905.03
	44,492,055.67	44,309,905.03
SCHEDULE - 4		
INVESTMENTS		
Long Term - Non - Trade (at cost)		
Equity Shares - (quoted) Fully Paid Up of Rs.2/- each		
5000 Shares in Indiabulls Real Estates Limited	1,528,534.00	-
	1,528,534.00	-
Equity Shares - (Unquoted) Fully Paid Up of Rs.10/- each		
In Subsidiary Company		
520000 (P.Y 2,600,000) shares in Ashika Insurance Brok.& Risk Mang.Pvt. Ltd. #	5,200,000.00	26,000,000.00
200000 (P.Y. Nil) shares in Ashika Properties Pvt. Ltd. \$	20,000,000.00	-
	25,200,000.00	26,000,000.00
In company under the same management		
80,000 shares in Ashika Commodities & Derivatives Private Limited (B/F)	4,000,000.00	4,000,000.00
1,00,000 shares in Ashika Venture Capital Pvt. Ltd. (B/F)	5,000,000.00	5,000,000.00
	9,000,000.00	9,000,000.00
Aggregate Book Value of Investments	35,728,534.00	35,000,000.00
Aggregate Market Value of Quoted investments	1,493,250.00	-
<i># Adjusted for 5,20,000 Equity Shares of Rs.10/- each in lieu of 26,00,000 Equity Shares of Rs.10/- each held earlier, due to reduction of capital and consolidation</i>		
<i>\$ Invested during the year</i>		



SCHEDULES TO THE ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2007

**SCHEDULE - 3
FIXED ASSETS**

PARTICULARS	GROSS BLOCK (AT COST)						DEPRECIATION				NET BLOCK	
	As at 1st April, 2006	Additions/ Adjustments	Withdrawals/ Adjustments	As at 31st Mar 2007	As at 1st April 2006	For the Year	Deductins/ Adjustments	As at 31st Mar 2007	As at 31st Mar 2007	As at 31st Mar 2006		
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	
Air Conditioner	197,000.00	307,940.00	-	504,940.00	2,410.00	23,984.50	-	26,394.50	478,545.50	194,590.00		
Fax Machine	7,500.00	9,360.00	-	16,860.00	213.00	801.00	-	1,014.00	15,846.00	7,287.00		
CCTV	-	256,050.00	-	256,050.00	-	12,162.00	-	12,162.00	243,888.00	-		
Television	-	31,000.00	-	31,000.00	-	1,355.00	-	1,355.00	29,645.00	-		
Telephone	7,671.00	-	-	7,671.00	1,092.74	364.00	-	1,456.74	6,214.26	6,578.26		
Xerox Machine	68,000.00	74,880.00	-	142,880.00	4,858.00	6,504.00	-	11,362.00	131,518.00	63,142.00		
Computer & Printers	267,850.00	930,594.00	-	1,198,444.00	96,239.77	169,834.00	-	266,073.77	932,370.23	171,610.23		
Motor Car	365,000.00	-	-	365,000.00	122,265.00	34,675.00	-	156,940.00	208,060.00	242,735.00		
Furniture & Fixture	840,055.50	3,782,968.00	-	4,623,023.50	13,230.30	288,543.00	-	301,773.30	4,321,250.20	826,825.20		
EPABX	7,250.00	370,282.00	-	377,532.00	302.00	23,898.00	-	24,200.00	353,332.00	6,948.00		
Sub Total	1,760,326.50	5,763,074.00	-	7,523,400.50	240,610.81	562,120.50	-	802,731.31	6,720,669.19	1,519,715.69		
Capital Work In Progress (including advances on capital account)	3,546,457.00	-	3,546,457.00	-	-	-	-	-	-	3,546,457.00		
Total	5,306,783.50	5,763,074.00	3,546,457.00	7,523,400.50	240,610.81	562,120.50	-	802,731.31	6,720,669.19	5,066,172.69		
TOTAL OF PREVIOUS YEAR	863,166.00	4,557,525.50	113,908.00	5,306,783.50	149,052.27	92,912.00	1,353.46	240,610.81	5,066,172.69	714,113.73		

Note: Depreciation has been provided on Straight Line Method at the rates specified in schedule -XIV to the Companies Act, 1956 on pro-rata basis.



**SCHEDULES TO THE ACCOUNTS AS AT AND FOR THE YEAR ENDED
ON 31ST MARCH, 2007**

	As at 31st March 2007 <u>Rs.</u>	As at 31st March 2006 <u>Rs.</u>
SCHEDULE - 5		
<u>STOCK-IN-TRADE</u>		
(Valued at lower of cost or market value in case of Quoted Shares etc. and at cost or break up value in case of Unquoted Shares etc.) (As certified by the Management)		
In shares of Joint Stock Companies - Quoted		
(Ref Note No.B (7) (b) in Schedule 15)		
	–	1,954,660.70
SCHEDULE - 6		
<u>CASH AND BANK BALANCES</u>		
Cash in Hand	1,039,049.55	21,121.05
<i>(As certified by Directors)</i>		
Cheques in Hand	1,117,386.40	371,128.00
Cash at Bank		
Balances with Scheduled Banks		
In Current Accounts	11,493,997.95	1,173,887.23
	13,650,433.90	1,566,136.28
SCHEDULE - 7		
<u>SUNDRY DEBTORS</u>		
<i>(Unsecured, considered good)</i>		
Debt outstanding exceeding six months	194,650.00	–
Other Debts	–	332,080.00
	194,650.00	332,080.00
SCHEDULE - 8		
<u>LOANS & ADVANCES</u>		
Advances recoverable in cash or in kind or for value to be received		
Margin Money Deposits	–	23,131,626.00
Security Deposits	550,000.00	200,000.00
Advances Against Expenses	125,000.00	–
Prepaid Expenses	218,552.50	336,361.50
Staff Advances	5,000.00	–
Income Tax Payments	313,528.30	448,370.50
	1,212,080.80	24,116,358.00

**SCHEDULES TO THE ACCOUNTS AS AT AND FOR THE YEAR ENDED
ON 31ST MARCH, 2007**

	As at 31st March 2007 <u>Rs.</u>	As at 31st March 2006 <u>Rs.</u>
SCHEDULE - 9		
<u>CURRENT LIABILITIES</u>		
Sundry Creditors :		
For Capital Goods	85,692.00	579,360.00
For Expenses	242,718.60	100,846.40
For Other Finance	245,230.00	601,369.00
Advances from Customers	51,000.00	51,000.00
Other Advances	1,205,534.40	10,902,704.00
	<u>1,830,175.00</u>	<u>12,235,279.40</u>
SCHEDULE - 10		
<u>PROVISIONS</u>		
For Income Tax (Ass Yr 2007-08)	145,590.00	-
For Income Tax (Ass Yr 2006-07)	-	570,928.00
For Income Tax (Ass Yr 2005-06)	3,570.00	258,604.00
For Fringe Benefit Tax (Ass Yr 2007-08)	205,205.00	-
For Fringe Benefit Tax (Ass Yr 2006-07)	-	76,509.60
	<u>354,365.00</u>	<u>906,041.60</u>
SCHEDULE - 11		
<u>OTHER INCOME</u>		
Dividend on Shares - held as Stock-in-trade	4,000.00	16,167.00
Profit on Intraday Trading in Shares	1,145.00	(1,437.19)
	<u>5,145.00</u>	<u>14,729.81</u>
SCHEDULE - 12		
<u>OTHER DIRECT EXPENSES</u>		
Transaction Charges	1,807.77	1,390.09
Stamp Charges	5,169.23	3,949.00
Service Tax	2,419.91	6,923.10
Securities Transaction Tax	8,331.32	39,162.32
Demat Expenses	1,012.01	1,393.90
	<u>18,740.24</u>	<u>52,818.41</u>
SCHEDULE - 13		
<u>(INCREASE)/DECREASE IN STOCKS OF SHARES ETC</u>		
Opening Stock	1,954,660.70	4,800.00
Less: Closing Stock	-	1,954,660.70
	<u>1,954,660.70</u>	<u>(1,949,860.70)</u>



**SCHEDULES TO THE ACCOUNTS AS AT AND FOR THE YEAR ENDED
ON 31ST MARCH, 2007**

	As at 31st March 2007	As at 31st March 2006
	Rs.	Rs.
SCHEDULE - 14		
<u>ADMINISTRATIVE AND OTHER EXPENSES</u>		
Salary, Bonus and other allowances	3,220,318.00	2,255,975.00
Stipend	–	57,322.00
Staff Welfare Expenses	199,782.00	30,558.50
Tours & Travels	516,795.01	768,596.00
Travelling and Conveyance	611,163.89	144,710.00
Printing and Stationary	112,943.15	68,721.05
Donation	500,000.00	–
Computer Maintenance	139,049.00	2,086.00
Repair & Maintenance	–	101,022.00
Postage & Couriers	66,052.00	2,872.50
Miscellaneous Expenditure	963,133.50	107,324.80
Advertisement	51,350.00	173,353.14
Motor Car Expenses	71,251.00	90,539.00
Telephone Expenses	521,300.82	68,141.00
Insurance Charges	5,721.00	5,955.00
Rent	404,400.00	225,900.00
Office Maintenance	687,314.24	171,892.00
Electricity Charges	309,775.08	60,439.00
Business Promotion Expenses	681,837.45	–
Bank Charges & Commission	6,263.43	585.00
Filing Fees	2,500.00	3,500.00
Professional Fees	99,331.40	193,651.00
Fees & Subscriptions	207,282.00	802,104.00
Interest Paid (Misc)	68,591.00	10,249.00
Payment to Directors :		
Director Meeting Fees	20,000.00	9,500.00
	<u>9,466,153.97</u>	<u>5,354,995.99</u>



SCHEDULES TO AND FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2007

SCHEDULES – 15

ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

A) ACCOUNTING POLICIES

1. Basis of Accounting:

The Financial Statements have been prepared under the historical cost convention on an accrual basis.

2. Use of Estimates

The presentation of financial statements in conformity with the generally accepted accounting principles require estimates and assumptions to be made that effect the reported amount of assets and liabilities on the date of the financial statements and reported amount of revenue and expenses during the reported period. Difference between the actual results and estimates are recognized in the year in which the results are known / materialized.

3. Revenue Recognition

- a) Revenue from merchant banking services is recognized as revenue as invoiced to clients on performance / part performance of assignment based on the agreement of the assignment.
- b) Transaction in respect of Investment / dealing in securities are recognized on trade dates.
- c) Dividend Income is recognized when the right to receive the dividend is unconditional at the balance sheet date.

4. Fixed Assets :

Fixed Assets are stated at cost, less accumulated depreciation thereon. Cost comprises of purchase price, duties, taxes and incidental expenses related to such acquisition and installation.

5. Depreciation:

Depreciation on tangible asset is provided on Straight Line Method at the rates specified in the Schedule XIV of the Companies Act, 1956. Depreciation on addition to fixed asset is provided on pro-rata basis from the date the asset is put to use. Depreciation on sale / deduction from fixed asset is provided for to the date of sale / deduction, as the case may be.

6. Impairment of Fixed Assets

An asset is treated as impaired when carrying cost of asset exceeds its recoverable amount. An impairment loss is charged to the profit & loss account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period, if any is reversed if there has been a change in the estimate of the recoverable amount. None of the Company's Fixed Assets are considered impaired as on the Balance Sheet date.

7. Investment

Long Term Investments are stated at cost. Provision is made for diminution in value, considering the nature and extent as permanent diminution.

8. Stock-in-Trade

Closing Stock of Quoted Shares are valued script wise at lower of cost or market value and Unquoted Shares are valued script-wise at lower of cost or break-up value.



SCHEDULES TO AND FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2007

SCHEDULES –15 : NOTES ON ACCOUNTS (Contd.)

9. Retirement Benefits

Company's contribution to Provident Fund is charged to Profit and Loss Account. Provision for Gratuity has not been made, as the Company is not statutorily liable to pay the same since none of the employees are eligible. Leave encashment, if any, is accounted for at the time of payment. No other retirement benefits are payable by the Company.

10. Taxes on Income

Tax expense (tax saving) is the aggregate of current year tax and deferred tax charged (or credited) to the Profit & Loss Account for the year.

Current Tax:

The current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with the relevant tax regulations applicable to the Company.

Deferred Tax:

Deferred Tax resulting from timing differences between book and tax profit is recognized in the financial statement using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

11. Provisions, Contingent Liabilities and Contingent Assets :

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent liability is disclosed for (1) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (2) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation can not be made.

Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

B) NOTES TO THE ACCOUNTS

1. In the opinion of the Board and to the best of their knowledge and belief the realisable value of Current Assets in the ordinary course of business, would not be less than the amount at which they are stated at the Balance Sheet. Provision for all known liabilities are provided for in full in the book of accounts and the same are adequate and not in excess of the amount reasonably necessary.
2. Auditor's Remuneration includes Statutory Audit Fees Rs.16,000/- (previous year Rs.8,000/-), Tax Audit fees Rs.5,000/- (previous year Rs.3,000/-) and Certification fees Rs.500/- (previous year Rs.1,500/-) , Fess for Other Professional Services Rs.40,000/- (previous year NIL) and service tax Rs.7,542.60 (previous year 1,499.40).
3. The Company has no Contingent Liabilities as on the balance sheet date.
4. The components of Net Deferred Tax Assets/ (Liabilities) are:



SCHEDULES TO AND FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2007

SCHEDULES –15 : NOTES ON ACCOUNTS (Contd.)

Amount (Rs.)

	Deferred Tax Assets / (Liabilities) as at 01/04/2006	Current Year Charge/(Credit)	Deferred Tax Assets / (Liabilities) as at 31/03/2007
Difference between book and tax depreciation on Fixed Assets	(97,207.44)	2,32,564.78	(3,29,772.22)
Total Net	(97,207.44)	2,32,564.78	(3,29,772.22)

5. There are no dues outstanding to small scale industrial undertakings as on the balance sheet date.
6. Earnings and Expenditures in Foreign Currency – Rs.NIL (previous year NIL)
7. Additional information as required under Schedule VI to the Companies Act, 1956:
 - a) Particulars in respect of Opening Stock, Purchases and Closing Stock of Shares & Units etc :

	Face Value	As at 31st March, 2007		As at 31st March, 2006	
		Qty.	Amount	Qty.	Amount
Opening Stock					
Ordinary Shares (Quoted)	10/-	19450	1954661	400	4800
Ordinary Shares (Quoted)	2/-	NIL	NIL	NIL	NIL
Purchases :					
Ordinary Shares (Quoted)	10/-	85000	20605865	191995	21213018
Ordinary Shares (Quoted)	2/-	1000	639993	NIL	NIL
Sales :					
Ordinary Shares (Quoted)	10/-	104450	22817296	172945	18354556
Ordinary Shares (Quoted)	2/-	1000	665590	NIL	NIL
Closing Stock :					
Ordinary Shares (Quoted)	10/-	NIL	NIL	19450	1954661
Ordinary Shares (Quoted)	2/-	NIL	NIL	NIL	NIL

Note: Amount under this clause is rounded off to the nearest Rupee for presentation purpose.

- (b) Particulars of Stock in Trade shown under Current Assets

NAME OF THE SCRIPT	Face Value	CLOSING STOCK AS ON 31/03/2007		CLOSING STOCK AS ON 31/03/2006	
		Qty. (Nos.)	Amount (Rs.)	Qty. (Nos.)	Amount (Rs.)
Shares - Ordinary (Fully Paid)					
Quoted :					
JMT Auto Ltd.	10/-	-	-	19450	1954660.70
TOTAL		-	-	19450	1954660.70



SCHEDULES TO AND FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2007

SCHEDULES –15 : NOTES ON ACCOUNTS (Contd.)

8. Basic and Diluted Earning Per Share

For the purpose of calculation of Basic and Diluted Earnings Per Share the following amounts are considered:

Particulars	Amount (Rs.)	
	2007-2008	2006-2007
Profit considered for calculating EPS (Net Profit after Tax)	182150.64	1061847.27
Weighted average number of Equity Shares (Nos.)	1050000	1050000
Nominal value of Equity Shares	10.00	10.00
Basic and Diluted Earnings per Share (Rs.)	0.17	1.01

9. Segment Reporting :

Segment Information for the year ended 31st March, 2007. Primary Segment information (by business segment)

Sl. No.	Particulars	Merchant Banking Services	Others	Total
1)	Segment Revenue	10590276.00	23506446.83	34096722.83
2)	Segment Results	10590276.00	285577.29	10875853.29
	Less: Unallocated Expenses			10110342.87
	Operating Profit			765510.42
	Less: Interest Expenses			NIL
	Profit before Tax			765510.42
	Less: Provision for Taxes			583359.78
	Profit after Tax			182150.64
3)	Segment Assets	194650.00	35728534.00	35923184.00
	Unallocated Corporate Assets			21583183.89
	Total Assets			57506367.89
4)	Segment Liabilities	51000.00	-	51000.00
	Unallocated Corporate Liabilities			57455367.89
	Total Liabilities			57506367.89
5)	Capital Expenditure			2216617.00
6)	Depreciation			562120.50
7)	Non Cash Expenditure other than Depreciation			13025.80



**SCHEDULES TO AND FORMING PART OF ACCOUNTS AS AT AND FOR
THE YEAR ENDED ON 31ST MARCH, 2007**

SCHEDULES –15 : NOTES ON ACCOUNTS (Contd.)

Note:

- a) The Company operates in only one geographic segment i.e. 'within India' and hence no separate information for geographic segment vide disclosure is required.
- b) Segment revenue, results, assets and liabilities include amounts identifiable to each segment and amounts allocated on a reasonable basis.
- c) The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparation of financial information as disclosed in (A) above.

10. Related Party Disclosures under Accounting Standard (AS-18) issued by the ICAI;

a) List of related parties

- i) Holding Companies : *Ashika Credit Capital Limited*
- ii) Subsidiary : *Ashika Insurance Broking & Risk
Management Pvt. Ltd.
Ashika Properties Pvt. Ltd.*
- iii) Key Management Personnel –
Mr. Pawan Jain - Director
Mr. Daulat Jain - Director
- iv) Companies in which the key management personnel or his relatives have substantial interest / significant influence.
Ashika Agro Projects Pvt. Ltd.
Ashika Stock Broking Ltd. (A SEBI Registered Stock Exchange Member)



**SCHEDULES TO AND FORMING PART OF ACCOUNTS AS AT AND FOR
THE YEAR ENDED ON 31ST MARCH, 2006**

SCHEDULES –15 : NOTES ON ACCOUNTS (Contd.)

b) Transactions during the year with Related parties

	Holding Company	Subsidiary Company	Key Management Personnel and their relatives	Company in which the key management personnel or his relatives have substantial interest/significant influence	TOTAL
Current Liabilities					
Other Advances	-	-	-	1205534.40	1205534.40
Purchase of Investment in Shares	-	20000000.00	-	3319291.00	23319291.00
Sale of Investments	-	-	-	1950000.00	1950000.00
Income					
a) Sale of Stock-in-Trade	-	-	-	21532886.83	21532886.83
b) Difference Account (income)	-	-	-	1145.00	1145.00
Expenditure					
a) Purchase of Stock-in-Trade	-	-	-	21245858.60	21245858.60
b) Rent	-	120000.00	-	-	120000.00
c) Depository Charges	-	-	-	538.75	538.75

Note : In the opinion of the Company, non-executive directors are not Key Management Personnel for AS- 18. Hence, transactions with non-executive directors are not considered for the above disclosure.

11. Previous year's figures have been rearranged or regrouped wherever deemed necessary to conform with current year's presentation.

Signature to Schedule 1 to 15

P. K. SAH, FCA <i>Partner</i>	For and on behalf of the Board
Place : Kolkata Dated : 29th June, 2007	Pawan Jain (Director) Daulat Jain (Director) Anshika Haldia (Company Secretary)
For and on behalf of Sah Lodha & Associates Chartered Accountants	



COMPANY'S GENERAL BUSINESS PROFILE AND BALANCE SHEET ABSTRACT
(As required under Part IV, Schedule VI to the Companies Act, 1956)

I. Registration Details :

(Figure in '000)

Registration No. :

- - - 91674

State Code : - - - - 21

Balance Sheet Date :

31 03 2007

Date Month Year

II. Capital Raised During the Year :

Public Issue

- - - - NIL

Right Issue

- - - - NIL

Bonus Issue

- - - - NIL

Private Placement

- - - - NIL

III. Position of Mobilisation and Deployment of Funds :

(Amount in Rs.'000)

Total Liabilities

57176

Total Assets

57176

Sources of Funds

Paid up Capital

10500

Reserves & Surplus

44492

Secured Loans

- - - - NIL

Unsecured Loans

- - - - NIL

Application of Funds

Net Fixed Assets

6721

Investments

35728

Net Current Assets* 34097

Misc. Expenditure

NIL

Accumulated Losses

- - - - NIL

Deferred Tax Assets/(Liabilite)

(-)330

IV. Performance of Company :

Turnover

Total Expenditure

33331

+ - Profit/Loss before Tax

- - - - 766

+ - Profit after Tax

- - - - 182

(Please Tick Appropriate Box + for Profit - for Loss)

Earning Per Share

- - - - 0.17

Dividend Rate%

- - - - NIL

V. Generic Names of three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code A)

N.A.

Product Description

MERCHANT BANKING, FINANCIAL SERVICES

Note : Figures are rounded off to nearest Rupee

As per our report of even date

P. K. SAH, FCA
Partner

For and on behalf of the Board

Place : Kolkata
Dated : 29th June, 2007

For and on behalf of
Sah Lodha & Associates
Chartered Accountants

Pawan Jain Director
Daulat Jain Director
Anshika Haldia Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007

	Year ended 31st March 2007 <u>Rs.</u>	Year ended 31st March 2006 <u>Rs.</u>
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax	765,510.42	1,732,803.19
<i>Adjustments for :</i>		
Depreciation on Fixed Assets	562,120.50	92,912.00
Preliminary & Pre-Operative Expenses W/off	13,025.80	13,025.80
(Profit)/Loss on Sale of Fixed Assets	-	9,014.54
(Profit)/Loss on Sale of Investments	1,610.00	-
Interest / Dividend Income on Investments	(4,000.00)	-
Operating Profit Before Working Capital Changes	1,338,266.72	1,847,755.53
<i>Adjustments for :</i>		
(Increase) / Decrease in Stock In Trade	1,954,660.70	(1,949,860.70)
(Increase) / Decrease in Trade Receivables	137,430.00	3,309,824.00
(Increase) / Decrease in Loans and Advances	22,769,435.00	(13,593,211.00)
Increase / (Decrease) in Trade Payables	(10,405,104.40)	11,805,831.70
Cash Generated From Operations	15,794,688.02	1,420,339.53
<i>Adjustments for :</i>		
Direct Tax Refunds / (Paid)	(767,629.40)	(339,739.50)
Net Cash From Operating Activities	15,027,058.62	1,080,600.03
B. CASH FLOW FROM INVESTING ACTIVITIES		
<i>Add / (Less):</i>		
Purchase of Fixed Assets	(2,216,617.00)	(4,455,485.50)
Sale of Fixed Assets	-	1,500.00
Purchase of Investments	(23,319,291.00)	-
Sale of Investments	22,589,147.00	4,000,000.00
Interest / Dividend Income on Investments	4,000.00	-
Net Cash from Investing Activities	(2,942,761.00)	(453,985.50)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007
(Contd.)**

	Year ended 31st March 2007 Rs.	Year ended 31st March 2006 Rs.
C. CASH FLOW FROM FINANCING ACTIVITIES	-	-
Net Increase In Cash And Cash Equivalents (A+B+C)	12,084,297.62	626,614.53
Cash And Cash Equivalents As At The Beginning Of The Year	1,566,136.28	939,521.75
Cash And Cash Equivalents As At The Close Of The Year	13,650,433.90	1,566,136.28

Note : Previous year's figures have been regrouped wherever necessary to conform to the current year's classification.

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

As per our attached report of even date

Place : Kolkata
Dated : 29th June, 2007

P. K. SAH, FCA
Partner
For and on behalf of
Sah Lodha & Associates
Chartered Accountants

For and on behalf of the Board
Pawan Jain (*Director*)
Daulat Jain (*Director*)
Anshika Haldia (*Company Secretary*)



**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
RELATING TO SUBSIDIARY COMPANIES**

NAME OF THE SUBSIDIARY COMPANY	ASHIKA INSURANCE BROKING AND RISK MANAGEMENT PVT. LTD.	ASHIKA PROPERTIES PVT. LTD.
1. Financial Year of the Subsidiary ended on	March 31, 2007	March 31, 2007
2. Share of subsidiary Company held on the above date and extent of holding Equity Shares Extent of holding (%)	520000 Equity Shares of Rs.10/- each 99.58%	200000 Equity Shares of Rs.10/- each 77.76%
3. Net aggregate amount of Profit / Loss of Subsidiary for the above financial year so far as they concern members of Ashika Capital Limited	NIL	NIL
i) Dealt with in the accounts of Ashika Capital Limited	Loss of Rs. 1.293 lacs	Profit of Rs. 0.21 lacs
ii) Not dealt with in the accounts of Ashika Capital Limited		
4. Net aggregate amount Profit / Losses for previous financial year of the subsidiary as far as it concern members of Ashika Capital Limited	NIL	NIL
i) Dealt with in the accounts of Ashika Capital Limited	Loss of Rs. 5.03 lacs	NIL
ii) Not dealt with in the accounts of Ashika Capital Limited		
5. a) Changes in the holding Company's interest in the subsidiary between the end of the financial year of the subsidiary and the end of the holding Company's financial year.	As the Closing of the Financial year of the subsidiary Company coincides with the closing of the Financial year of the holding Company i.e. M/s. Ashika Capital Limited, Section 212 (5) of the Act is not applicable.	As the Closing of the Financial year of the subsidiary Company coincides with the closing of the Financial year of the holding Company i.e. M/s. Ashika Capital Limited., Sec 212 (5) of the Act is not applicable.
b) Material changes which have occurred between the end of the aforesaid Financial year of the subsidiary and the end of the holding Company's Financial year in respect of:	—do—	



**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
RELATING TO SUBSIDIARY COMPANIES**

NAME OF THE SUBSIDIARY COMPANY	ASHIKA INSURANCE BROKING AND RISK MANAGEMENT PVT. LTD.	ASHIKA PROPERTIES PVT. LTD.
i) The subsidiary's fixed assets ii) Its Investments iii) Moneys lent by the subsidiary company iv) The moneys borrowed by it for any purpose other than that of meeting current liabilities.		

For and on behalf Of the Board

**Pawan Jain
(Chairman)**

**Daulat Jain
(Director)**

**Place: Kolkata
Date: 29th day of June, 2007**

**Anshika Haldia
(Company Secretary)**

**ASHIKA
INSURANCE
BROKING & RISK
MANAGEMENT
PRIVATE LIMITED**



Growing & Sharing with You

**FOURTH ANNUAL REPORT
2006-2007**

BOARD OF DIRECTORS

SRI PAWAN JAIN – *Chairman*
SRI DAULAT JAIN – *Director*

AUDITORS

SAH LODHA & ASSOCIATES
CHARTERED ACCOUNTANTS
58/D, NETAJI SUBHASH ROAD,
3RD FLOOR, ROOM NO.314,
KOLKATA – 700 001

BANKERS

CITI BANK
TAMILNAD MERCANTILE BANK LTD.
HDFC BANK LTD.

REGISTERED OFFICE

'TRINITY'
226/1 A. J. C. Bose Road,
Kolkata – 700 020



DIRECTORS' REPORT

Dear Shareholders,

With great pleasure your Directors present the Fourth Annual Report of the Company together with the audited Statement of Accounts for the year ended 31st March 2007.

FINANCIAL PERFORMANCE :

A brief details of the financial performance of the Company for the year ended 31st March, 2007 is as follows:

Financial Results For The Year Ended	31st March 2007	31st March 2006
Total Income	388471.13	138746.90
Profit/(Loss) before depreciation and tax	(414760.12)	(499318.52)
Less: Depreciation	3945.00	0
Profit/(Loss) before Tax	(418705.12)	(499318.52)
Less: Provision for Taxation	(288899.16)*	5396.00
Profit / (Loss) after Tax	(129805.96)	(504714.52)
Balance brought forward from previous year	(463990.32)	40724.20
Earlier year's excess depreciation written back	0	0
Income Tax relating to earlier year	0	0
Profit Available for Appropriation	(593796.28)	(463990.32)
Appropriations:		
Transfer to Statutory reserve u/s 45IC of the RBI Act, 1934	0	0
Surplus Carried Forward	(593796.28)	(463990.32)

*Deffered Tax Liabilities/Assets

DIVIDEND:

Since the Company has suffered loss again in this year, your directors regrettfully convey their inability to recommend any dividend for the year under review.

DIRECTORS :

As decided in the First Annual General meeting of the Company, the Directors are not liable to retire by rotation.

AUDITORS' REPORT:

The auditors have not raised any qualification or reservation in their report on the Annual Accounts of the Company. The notes given in the Auditors' Report are self-explanatory and needs no further clarification.

COMPLIANCE CERTIFICATE:

Pursuant to the provisions of section 383A of the Companies Act, 1956 read with Companies (issue of Compliance Certificate) Rules 2001, your Company has received a Compliance Certificate from V. Jain & Associates, Company Secretaries of 49, Nalini Seth Road, Ground Floor, Kolkata-700007. The same forms part of this report.

AUDITORS:

M/s. Sah Lodha & Associates, Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-

**ASHIKA INSURANCE BROKING &
RISK MANAGEMENT PRIVATE LIMITED**



appointment. The Company has received a Certificate from the Auditors that if reappointed, they are qualified under section 224(1B) of the Companies Act, 1956 to act as the Auditors of the Company. Your directors recommend the aforesaid re-appointment.

MATERIAL CHANGES AND COMMITMENTS :

There have been no material changes and commitments affecting the financial position of the company, which have occurred since March 31 2007, being the end of the Financial Year of the Company.

REDUCTION AND CONSEQUENTLY CONSOLIDATION OF SHARE CAPITAL:

During the year, a corporate action has been effected by the company. The paid up capital of Company has been reduced from Rs. 10/- per equity share to Rs. 2/- per equity share. Thereafter every 5 equity shares of Rs. 2/- each were compulsorily consolidated into 1 equity share of Rs. 10/- each.

STATUTORY AND OTHER INFORMATION :

No employee is falling under the disclosure requirement of section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975. Hence the same is not furnished.

There was no foreign exchange earnings or outgoes during the period under review

As the Company does not own any manufacturing unit, the disclosure of information on the matter required to be disclosed in terms of section 217(1)(e) of the companies act 1956 read with the Companies (Disclosures of particulars in the Report of Board of Directors) Rules 1988, is not applicable and hence not given.

DIRECTORS RESPONSIBILITY STATEMENT :

As per the relevant provisions of section 217(2AA) of the Companies Act, 1956, the Directors of your Company confirm that:

1. In the preparation of the Annual Accounts, the applicable accounting standards have been followed and there is no material departure from the same.
2. The directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
3. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act. 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities to the best of their knowledge and ability.
4. The directors have prepared the annual account on a going concern basis.

ACKNOWLEDGEMENTS:

Your Directors are grateful for the co operation and unstinted support from IRDA, Our banker, & Other regulatory authorities, State Government and Central Government, Our clients. We look forward to receiving their continued support and encouragement.

The Board of directors wishes to express its gratitude and record its sincere appreciation of the dedicated efforts and commitment of all the employees. The Directors are thankful to the esteemed shareholders for their support and the confidence reposed in the company.

For and on behalf of the Board of Directors

Place: Kolkata

Date: 29th June, 2007

**(Pawan Jain)
Chairman**



AUDITORS' REPORT

To The Members of

ASHIKA INSURANCE BROKING & RISK MANAGEMENT PRIVATE LIMITED

1. We have audited the attached Balance Sheet of **Ashika Insurance Broking & Risk Management Private Limited** (the 'Company') as at 31st March, 2007 and the relative Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standard generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also include assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order 2003, issued by the Central Government of India in accordance to section 227(4A) of the Companies Act 1956, and on the basis of our checks as we considered appropriate and according to information and explanations given to us during the course of our audit, we enclose in the Annexure, a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that :
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purposes of the audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors as on 31st March 2007, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2007 from being appointed as a director in terms of sub section 1(g) of section 274 of the Companies Act, 1956;

**ASHIKA INSURANCE BROKING &
RISK MANAGEMENT PRIVATE LIMITED**



- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the schedules and notes thereon and attached thereto give the information required by the Companies Act, 1956 in conformity with the accounting principles generally accepted in India and give a true and fair view:-
- i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2007;
 - ii) In the case of Profit and Loss Account of the *Loss* for the year ended on 31st March, 2007; and
 - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on 31st March, 2007.

58D, Netaji Subhash Road,
Kolkata - 700 001

Date: 29th June, 2007

For SAH LODHA & ASSOCIATES
Chartered Accountants

(P. K. SAH, FCA)

Partner
Mem. No. 56216



ANNEXURE TO THE AUDITORS' REPORT

[Referred to in paragraph (3) of our report of even date]

- (i) (a) The Company, we have been informed, has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As per information and explanations given to us, the fixed assets have been physically verified by the management at reasonable intervals under a phased programme. We have been informed, no material discrepancies have been found on such physical verifications.
- (c) The Company has not disposed off substantial part of its fixed assets during the year.
- (ii) Since the Company does not have any inventory, the clauses relating to it are not applicable.
- (iii) (a) The Company has not granted any loans, secured and unsecured to companies, firms or other parties covered in the Register maintained u/s.301 of the Companies Act, 1956 and accordingly clauses (iii) (b), (c) and (d) are not applicable to the Company for the year under review.
- (b) The Company has taken loan from two companies covered in the Register maintained u/s.301 of the Companies Act, 1956. The maximum amount involved during the year of Rs.21400000/- and the year end balance is Rs.1426319/-.
- (c) In our opinion, the rate of interest and other terms and conditions of such unsecured loans taken by the company as aforesaid, are prima-facie, not prejudicial to the interest of the Company;
- (d) The payment of principal amount and interest are regular.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for sale of services. We have not observed any continuing failure to correct major weaknesses in such internal controls.
- (v) (a) According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so recorded in the register.
- (b) In our opinion and according to the information and explanations given to us, where each of such transactions is in excess of Rs.5 Lacs in respect of any party, the transactions have been made at prices which are, prima-facie, reasonable having regard to the prevailing market prices at the relevant time
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public within the meaning of the section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the companies (Acceptance of Deposits) Rules, 1975 with regard to the deposit accepted from the public.
- (vii) In our opinion and according to the information and explanations given to us, the Company does not have any formal internal audit system but we are being informed that the internal control is exercised departmentally.
- (viii) According to the information and explanations given to us, the maintenance of cost records prescribed by the Central Government under clause (d) of sub-section (1) of Section 209 of the Act is not applicable to the Company.

**ASHIKA INSURANCE BROKING &
RISK MANAGEMENT PRIVATE LIMITED**



- (ix) (a) According to the records of the Company and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Service Tax, Cess and other material statutory dues as applicable to it with the appropriate authorities during the year.
- (b) According to the information and explanations given to us, as at the Balance Sheet date, there were no disputed dues payable in respect of Sales Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and cess.
- (x) The Company has been registered for a period of less than five years the related clause regarding accumulated losses and cash loss are not applicable to the Company.
- (xi) Based on our audit procedure and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions and banks. There were no debenture holders at any time during the year.
- (xii) According to the information and explanations given and based on the documents and records produced before us, the Company has not granted loan and advances on the basis of security by way of pledge of shares, debentures or other securities.
- (xiii) Clause (xiii) of the Order is not applicable to the Company as the Company is not a chit fund Company or nidhi / mutual benefit fund / society.
- (xiv) As informed and explained to us, the Company has not dealt / traded in securities or debentures during the year.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) According to the information and explanations given to us, in our opinion, the Company have neither obtained nor applied any term loans during the year.
- (xvii) On the basis of our review of utilization of funds, we are of the opinion that the funds raised on short term basis have, prima facie, not been used for long term investment and vice-versa.
- (xviii) The Company has not made any preferential allotment of shares to parties covered in the register maintained under Section 301 of the Companies Act, 1956 during the year and hence the question of whether the price at which the shares has been issued is pre-judicial to the interest of the Company does not arise.
- (xix) The Company has not issued any debentures. Accordingly clause (xviii) of the said Order is not applicable.
- (xx) The Company has not raised any money by public issues during the year under review.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For SAH LODHA & ASSOCIATES
Chartered Accountants

58D, Netaji Subhash Road,
Kolkata - 700 001

(P. K. SAH, FCA)
Partner

Date: 29th June, 2007

Mem. No. 56216



**ASHIKA INSURANCE BROKING &
RISK MANAGEMENT PRIVATE LIMITED**

BALANCE SHEET AS AT 31ST MARCH, 2007

	SCHEDULES	<u>As at 31st March, 2007</u>	<u>As at 31st March, 2006</u>
		Rs.	Rs.
<u>SOURCES OF FUNDS</u>			
SHAREHOLDERS' FUNDS			
Share Capital	1	5,222,000.00	26,110,000.00
Reserves And Surplus	2	90,000.00	90,000.00
LOAN FUNDS			
Unsecured Loans	3	1,426,319.00	-
	TOTAL	<u>6,738,319.00</u>	<u>26,200,000.00</u>
 <u>APPLICATION OF FUNDS</u>			
FIXED ASSETS			
Gross Block	4	55,345.00	-
Less: Depreciation		3,945.00	-
Net Block		51,400.00	-
INVESTMENTS	5	-	20,000,000.00
CURRENT ASSETS, LOANS & ADVANCES			
Cash & Bank Balances	6	5,621,337.27	5,558,964.28
Other Current Assets	7	184,259.69	65,573.80
		5,805,596.96	5,624,538.08
LESS :- CURRENT LIABILITIES & PROVISIONS	8	110,547.00	49,314.00
NET CURRENT ASSETS		5,695,049.96	5,575,224.08
DEFERRED TAX ASSETS		290,882.16	-
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)			
Preliminary Expenses		45,240.00	67,860.00
Pre-Operative Expenses		61,950.60	92,925.60
Profit & Loss Account (Dr.)		593,796.28	463,990.32
	TOTAL	<u>6,738,319.00</u>	<u>26,200,000.00</u>
ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS	10		

SCHEDULES '1' TO '8' AND '10' REFERRED TO ABOVE FORM AN INTEGRAL PART OF THE BALANCE SHEET

This is the Balance Sheet referred to in our report of even date

<p>Place : Kolkata Dated : 29th June, 2007</p>	<p>P. K. SAH, FCA <i>Partner</i> For and on behalf of Sah Lodha & Associates Chartered Accountants</p>	<p>For and on behalf of the Board Pawan Jain <i>Director</i> Daulat Jain <i>Director</i></p>
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**ASHIKA INSURANCE BROKING &
RISK MANAGEMENT PRIVATE LIMITED**



PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2007

SCHEDULES	Year ended	Year ended
	31st March, 2007	31st March, 2006
	Rs.	Rs.
INCOME		
Insurance Brokerage <i>(Subject to TDS Rs.7727/-, P.Y Nil)</i>	35,571.70	-
Interest on Fixed Deposit with Banks <i>(Subject to TDS Rs. 79,190.64 , P.Y. Rs 31,134.81)</i>	352,899.43	138,746.90
	<u>388,471.13</u>	<u>138,746.90</u>
EXPENDITURE		
Administrative & Other Expenses 9	707,850.25	577,205.42
Interest on Loans	33,934.00	-
Auditors' Remuneration	7,852.00	7,265.00
Preliminary Expenses written off	22,620.00	22,620.00
Pre-Operative Expenses written off	30,975.00	30,975.00
	<u>803,231.25</u>	<u>638,065.42</u>
PROFIT BEFORE DEPRECIATION AND TAXATION	(414,760.12)	(499,318.52)
LESS : Depreciation	3,945.00	-
PROFIT / (LOSS) BEFORE TAXATION	(418,705.12)	(499,318.52)
LESS : Provision for Taxation		
- Current Tax	-	-
- Fringe Benefit Tax	1,983.00	5,396.00
- Deferred Tax Liabilities / (Assets) <i>(refer note no.B(6) in Schedule- 10)</i>	<u>(290,882.16)</u>	<u>-</u>
	(288,899.16)	-
PROFIT / (LOSS) AFTER TAXATION	(129,805.96)	(504,714.52)
Add: Balance Profit / (Loss) Brought Forward from Previous Year	(463,990.32)	40,724.20
PROFIT / (LOSS) CARRIED OVER TO BALANCE SHEET	(593,796.28)	(463,990.32)
Earnings per Share (in Rs.)	(0.25)	(1.15)
[Refer note no. B (8) in Schedule 10]		

ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS 10

SCHEDULES '9' AND '10' REFERRED TO ABOVE FORM AN INTEGRAL PART OF THE PROFIT & LOSS ACCOUNT

This is the Profit & Loss Account referred to in our report of even date

	P. K. SAH, FCA <i>Partner</i>	For and on behalf of the Board
Place : Kolkata	For and on behalf of	Pawan Jain Director
Dated : 29th June, 2007	Sah Lodha & Associates Chartered Accountants	Daulat Jain Director



**ASHIKA INSURANCE BROKING &
RISK MANAGEMENT PRIVATE LIMITED**

**SCHEDULES TO THE ACCOUNTS AS AT AND FOR THE YEAR ENDED
ON 31ST MARCH, 2007**

	<u>As at 31st March 2007</u>	<u>As at 31st March 2006</u>
	Rs.	Rs.
SCHEDULE - 1		
<u>SHARE CAPITAL</u>		
Authorised		
30,00,000 Equity Shares of Rs.10/- each	<u>30,000,000.00</u>	<u>30,000,000.00</u>
Issued , Subscribed & Paid Up		
522200 (P.Y 2611000) Equity Shares of Rs.10/- each Called and Fully Paid Up in cash (Out of above 520000 (P.Y.2600000) shares are held by the Holding Company Ashika Capital Limited) (During the year the Company has made capital reduction of 2611000 equity shares of Rs.10/- each into 2611000 Equity Shares of Rs.2/- each and subsequent consolidation of 2611000 equity shares of Rs.2/- into 522000 Equity Shares of Rs.10/- each w.e.f. 9th January,2007 vide order of Hon'ble High Court at Kolkata)	<u>5,222,000.00</u>	<u>26,110,000.00</u>
SCHEDULE - 2		
<u>RESERVES & SURPLUS</u>		
Share Premium Account		
Balance as per last account	<u>90,000.00</u>	<u>90,000.00</u>
SCHEDULE - 3		
<u>UNSECURED LOANS</u>		
<i>(Including Accrued Interest)</i>		
Inter-Corporate Deposits	<u>1,426,319.00</u>	<u>-</u>
SCHEDULE - 5		
<u>INVESTMENTS</u>		
Long Term - Non-Trade (At Cost)		
Equity Shares - (Unquoted) Fully Paid Up of Rs.10/- each		
<i>In Subsidiary Company</i>		
2,00,000 shares of Ashika Properties Pvt. Ltd # # Sold during the year	<u>-</u>	<u>20,000,000.00</u>
SCHEDULE - 6		
<u>CASH AND BANK BALANCES</u>		
Cash in Hand <i>(As certified by Directors)</i>	139,564.00	478,094.00
Balances with Scheduled Banks :		
<i>In Fixed Deposit Account</i>		
HDFC Bank Limited	5,272,000.00	5,055,659.08
<i>In Current Accounts -</i>		
Tamilnad Mercantile Bank Ltd.	10,596.35	10,681.60
HDFC Bank Limited	193,805.84	9,158.52
Citi Bank, N.A.	5,371.08	5,371.08
	<u>5,621,337.27</u>	<u>5,558,964.28</u>



SCHEDULES TO THE ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2007

**SCHEDULE - 4
FIXED ASSETS**

PARTICULARS	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK	
	As at 1st April, 2006 (Rs.)	Additions/ Adjustments (Rs.)	Withdrawals/ Adjustments (Rs.)	As at 31st April 2006 (Rs.)	For the Period (Rs.)	Deductions/ Adjustments (Rs.)	As at 31st Mar 2007 (Rs.)	As at 31st Mar 2006 (Rs.)
Tangible Assets								
Computer	-	25,345.00	-	-	1,677.00	-	23,668.00	-
Intangible Assets								
Softwares	-	30,000.00	-	-	2,268.00	-	27,732.00	-
Total	-	55,345.00	-	-	3,945.00	-	51,400.00	-
TOTAL OF PREVIOUS YEAR	-	-	-	-	-	-	-	-



**ASHIKA INSURANCE BROKING &
RISK MANAGEMENT PRIVATE LIMITED**

**SCHEDULES TO THE ACCOUNTS AS AT AND FOR THE YEAR ENDED
ON 31ST MARCH, 2007**

	<u>As at 31st March 2007</u>	<u>As at 31st March 2006</u>
	Rs.	Rs.
SCHEDULE - 7		
<u>OTHER CURRENT ASSETS</u>		
Interest Accrued but not due on Fixed Deposits with Banks	63,207.24	33,438.99
Security Deposits		
Telephone	3,000.00	1,000.00
Pre-paid Taxes :		
Tax Deducted at Sources (Ass Yr. 2007-08)	86,917.64	-
Tax Deducted at Sources (Ass Yr. 2006-07)	31,134.81	31,134.81
	184,259.69	65,573.80
SCHEDULE - 8		
<u>CURRENT LIABILITIES & PROVISIONS</u>		
Current Liabilities		
Creditors for Fixed Assets	25,345.00	-
Creditors for Expenses :		
Salary Payable	38,527.00	29,539.00
Telephone Charges Payable	1,580.00	-
Auditor's Remuneration Payable	5,618.00	5,612.00
Others :		
Professional Tax on Employees Payable	2,315.00	1,170.00
TDS Payable	35,179.00	7,597.00
Provisions		
For Fringe Benefit Tax (Asst. Year 2007-08)	1,983.00	-
For Fringe Benefit Tax (Asst. Year 2006-07)	-	5,396.00
	110,547.00	49,314.00
SCHEDULE - 9		
<u>ADMINISTRATIVE & OTHER EXPENSES</u>		
Advertisement	9,267.00	-
Salary, Bonus & Allowances	548,513.00	304,903.00
Books & Periodicals	460.00	235.00
Bank Charges & Commission	606.00	798.50
Fees & Subscription	46,739.00	149,836.00
Filing Fees	2,500.00	2,000.00
Rates & Taxes	2,500.00	5,000.00
General Expenses	4,286.00	10,096.00
Brokerage Paid	-	9,000.00
Professional Fees	52,578.40	6,102.00
Printing & Stationary	9,792.50	5,742.00
Travelling & Conveyance	3,995.00	73,902.00
Telephone Charges	25,479.35	6,235.92
Postage & Courier	840.00	2,855.00
Interest Paid (Misc)	294.00	500.00
	707,850.25	577,205.42



**SCHEDULES TO THE ACCOUNTS AS AT AND FOR THE YEAR ENDED
ON 31ST MARCH, 2007**

SCHEDULE – 10

ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

A) ACCOUNTING POLICIES :

1. **Basis of Accounting** :

The Financial Statements have been prepared and presented in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956. The Company follows the accrual method of accounting under historical cost convention.

2. **Revenue Recognition** :

All Income and Expenditure are accounted for on accrual basis.

3. **Fixed Assets** :

a) Tangible Assets

Fixed Assets are stated at cost, less accumulated depreciation thereon. Cost comprises of purchase price, duties, taxes and incidental expenses related to such acquisition and installation.

b) Intangible Assets

Intangible Assets are stated at cost, less accumulated amortization thereon. Cost comprises of purchase price, duties, taxes and incidental expenses.

4. **Depreciation / Amortization** :

a) Depreciation on tangible asset is provided on Straight Line Method at the rates specified in the Schedule XIV of the Companies Act, 1956. Depreciation on addition to fixed asset is provided on pro-rata basis from the date the asset is put to use. Depreciation on sale / deduction from fixed asset is provided for to the date of sale / deduction, as the case may be.

b) Intangible assets consisting of specialized software, which are not integral part of related hardware are amortized on a straight line basis over a period of five years from the date when the assets are available for use.

5. **Taxation**

a) Current Tax

The current tax is the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income Tax Act, 1961.

b) Deferred Tax

Deferred Tax is recognized on timing difference, being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets subjects to the consideration of prudent are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

6. **Miscellaneous Expenditure** :

a) Preliminary Expenses

Preliminary Expenses is to be amortised in equal installments over a period of five years beginning from the year in which the Company starts commercial activity.

b) Pre-Operative Expenses

Pre-Operative Expenses incurred till the date of commencement of commercial activities is to be amortised in equal installments over a period of five years beginning from the year in which the company starts commercial activity.



**SCHEDULES TO THE ACCOUNTS AS AT AND FOR THE YEAR ENDED
ON 31ST MARCH, 2007**

SCHEDULES – 10 : ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (Contd.)

7. Contingent Liabilities :

Contingent Liabilities, if any not provided for, are disclosed by way of notes to the accounts.

8. Retirement Benefits

Provision for gratuity has not been made, as the Company is not statutorily liable to pay the same, since none of the employees are eligible. Leave encashment, if any, is accounted for at the time of payment. No other retirement benefit are payable by the Company.

B) NOTES TO THE ACCOUNTS:

1. In the opinion of the Board and to the best of their knowledge and belief the realizable value of current assets made in the ordinary course of business would not be less than the amount stated in the Balance Sheet. Provision for all known liabilities are provided in full in the books of accounts and the same are adequate and not in excess of the amount reasonably necessary.
2. The Company has no contingent liabilities as on Balance Sheet date.
3. During the year the Company has sold its entire investments in shares in Subsidiary Company M/s. Ashika Properties Private Limited to its Holding Company M/s. Ashika Capital Limited at its book value of Rs.2,00,00,000/-.
4. Auditors' Remuneration includes Statutory Audit Fees Rs.5,000/- (Previous Year Rs.5,000/-) and other certification Fees Rs.2,000/- (Previous Year Rs.1,500/-) and Service Tax Rs.852/- (Previous Year Rs.765/-)
5. The components of Net Deferred Tax Assets/ (Liabilities) are:

	Amount (Rs.)		
	Deferred Tax Assets / (Liabilities) as at 01/04/2006	Current Year Charge / (Credit)	Deferred Tax Assets / (Liabilities) as at 31/03/2007
Difference between book depreciation and tax	-	(4302.62)	(4302.62)
Depreciation on Fixed Assets			
Carried Forward Business Loss	-	289538.25	289538.25
Carried Forward unabsorbed Depreciation	-	5646.53	5646.53
Total (Net)	-	290882.16	290882.16

6. Current Year's Deferred Tax Assets / (Liabilities) includes deferred tax assets of Rs.151189.62 relating to business loss of the previous year for which no provision has been made in the earlier year in view of the uncertainty of recovery, has been recognized during the year.
7. Earnings and expenditure in Foreign Currency - NIL



**SCHEDULES TO THE ACCOUNTS AS AT AND FOR THE YEAR ENDED
ON 31ST MARCH, 2007**

SCHEDULES – 10 : ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (Contd.)

8. Earnings Per Share

(a) **Basic Earnings Per Share:**

For the purpose of calculation of Basic and Diluted Earnings Per Share the following amounts are considered

Amount (Rs.)

Particulars	2006-2007	2005-2006
Profit considered for calculating EPS (Net Profit after Tax)	(129805.96)	(504714.52)
Weighted average number of Equity Shares (Nos.)	522200	438397
Nominal value of Equity Shares	10.00	10.00
Earnings per Share (Rs.)	(0.25)	(1.15)

Note: weighted number of equity share is the number after the capital reduction and consolidation of the share capital.

(b) Diluted Earnings Per Share :

None of the potential Equity Shares are dilutive.

9. Related parties transactions :

The Company have the following related parties –

Holding Company

Ultimate Holding Company

Ashika Credit Capital Limited

Holding Company

Ashika Capital Limited

Subsidiary Company

Ashika Properties Private Limited
(upto 13/02/2007)

Key Management Personnel

Mr. Pawan Jain
Mr. Daulat Jain

Others

Companies in which the Key Management

Ashika Stock Broking Limited

Personnel have substantial interest / significant
influence

Ashika Global Securities Limited



**ASHIKA INSURANCE BROKING &
RISK MANAGEMENT PRIVATE LIMITED**

**SCHEDULES TO THE ACCOUNTS AS AT AND FOR THE YEAR ENDED
ON 31ST MARCH, 2007**

SCHEDULES – 10 : ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (Contd.)

Amount in Rs.

Particulars	Holding Company	Subsidiary Company	Key Management Personnel	Others	Total
Reduction of Shares Capital	20800000/-	-	88000/-	-	20888000/-
Sale of investments in shares in subsidiary company	20000000/-	-	-	-	20000000/-
Unsecured Loans taken: Outstanding as on 31/03/2007	-	-	-	1426319/-	1426319/-
Maximum amount involved	-	-	-	21400000/-	21400000/-
Short Term Advance (Liability)	-	-	-	25345/-	25345/-
Expenses : Interest Paid on Unsecured Loans	25,267/-	-	-	8667/-	33,934/-

10. The business of the Company falls within a single primary business segment viz. 'Insurance Broking', the disclosure requirement of Accounting Standard (AS-17) 'Segment Reporting' issued by the Institute of Chartered Accountants of India is not applicable.
11. There is no dues outstanding to small scale industrial undertaking as on the Balance Sheet date (Balance Nil).
12. Previous Year figures have been rearranged or re-grouped wherever necessary to conform with current year's presentations.

SIGNATURE TO SCHEDULES 1 TO 10

As per our report of even date

P. K. SAH, FCA
Partner

Place : Kolkata
Dated : 29th June, 2007

For and on behalf of
Sah Lodha & Associates
Chartered Accountants

For and on behalf of the Board

Pawan Jain *Director*
Daulat Jain *Director*

**ASHIKA INSURANCE BROKING &
RISK MANAGEMENT PRIVATE LIMITED**



COMPANY'S GENERAL BUSINESS PROFILE AND BALANCE SHEET ABSTRACT
(As required under Part IV, Schedule VI to the Companies Act, 1956)

(Figure in '000)

I. Registration Details :

Registration No. :
 State Code :
 Balance Sheet Date :
 Date Month Year

II. Capital Raised During the Year : (Amount in Rs. '000)

Public Issue	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Right Issue	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Bonus Issue	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Private Placement	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

III. Position of Mobilisation and Deployment of Funds :

(Amount in Rs. '000)

Sources of Funds	Total Liabilities	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="6"/> <input type="text" value="8"/> <input type="text" value="4"/> <input type="text" value="9"/>	Total Assets	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="6"/> <input type="text" value="8"/> <input type="text" value="4"/> <input type="text" value="9"/>
	Paid up Capital	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="5"/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="2"/>	Reserves & Surplus	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="9"/> <input type="text" value="0"/>
Application of Funds	Secured Loans	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Unsecured Loans	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="2"/> <input type="text" value="6"/>
	Net Fixed Assets	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="5"/> <input type="text" value="1"/>	Investments	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
	Net Current Assets*	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="5"/> <input type="text" value="6"/> <input type="text" value="9"/> <input type="text" value="5"/>	Misc. Expenditure	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="7"/>
	Accumulated Losses	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="5"/> <input type="text" value="9"/> <input type="text" value="4"/>	Deferred Tax Assets / (Liabilities)	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="1"/>

IV. Performance of Company :

(Amount in Rs. '000)

Turnover	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="3"/> <input type="text" value="8"/> <input type="text" value="8"/>	Total Expenditure	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="8"/> <input type="text" value="0"/> <input type="text" value="7"/>
Profit/Loss before Tax	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="4"/> <input type="text" value="1"/> <input type="text" value="9"/>	Profit after Tax	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="0"/>
(Please Tick Appropriate Box + for Profit – for Loss)			
Earning Per Share	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="5"/>	Dividend Rate%	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

V. Generic Names of three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code A)
 Product Description **INSURANCE BROKING SERVICES**

As per our report of even date

P. K. SAH, FCA
Partner

For and on behalf of the Board

Place : Kolkata
Dated : 29th June, 2007

For and on behalf of
Sah Lodha & Associates
Chartered Accountants

Pawan Jain (Director)
Daulat Jain (Director)



**ASHIKA INSURANCE BROKING &
RISK MANAGEMENT PRIVATE LIMITED**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007

	Year ended 31st March <u>2007</u> Rs.	Year ended 31st March <u>2006</u> RS.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	(418,705.12)	(499,318.52)
<i>Adjustments for :</i>		
Depreciation on Fixed Assets	3,945.00	-
Preliminary & Preoperative Expenses Written off	53,595.00	53,595.00
Interest Expenses	33,934.00	-
Operating Profit Before Working Capital Changes	(327,231.12)	(445,723.52)
<i>Adjustments for :</i>		
(Increase) / Decrease in Trade Receivables	-	524,862.00
(Increase) / Decrease in Other Current Assets	(118,685.89)	25,715,561.01
Increase / (Decrease) in Trade Payables	64,646.00	(310,837.00)
Cash Generated From Operations	(381,271.01)	25,483,862.49
<i>Adjustments for :</i>		
Interest Expenses	(33,934.00)	-
Direct Tax Refunds / (Paid)	(5,396.00)	(46,374.81)
Net Cash From Operating Activities	(420,601.01)	25,437,487.68
B. CASH FLOW FROM INVESTING ACTIVITIES		
<i>Add / (Less):</i>		
Purchase of Fixed Assets	(55,345.00)	-
Purchase of Investments	-	(20,000,000.00)
Sale of Investments	20,000,000.00	-
Net Cash from Investing Activities	19,944,655.00	(20,000,000.00)



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007
(Contd.)**

	Year ended 31st March <u>2007</u> Rs.	Year ended 31st March <u>2006</u> Rs.
C. CASH FLOW FROM FINANCING ACTIVITIES:		
<i>Add / (Less):</i>		
Capital Reduction	(20,888,000.00)	-
Short Term Borrowings	1,426,319.00	-
Net Cash Used In Financing Activities	(19,461,681.00)	-
Net Increase In Cash And Cash Equivalents (A+B+C)	62,372.99	5,437,487.68
Cash And Cash Equivalents As At The Beginning Of The Year	5,558,964.28	121,476.60
Cash And Cash Equivalents As At The Close Of The Year	5,621,337.27	5,558,964.28

Note : Previous year's figures have been regrouped wherever necessary to conform to the current year's classification.

	P. K. SAH, FCA <i>Partner</i> For and on behalf of Sah Lodha & Associates Chartered Accountants	For and on behalf of the Board Pawan Jain <i>Director</i> Daulat Jain <i>Director</i>
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Place : Kolkata
Dated : 29th June, 2007

**ASHIKA
PROPERTIES
PRIVATE LIMITED**



Growing & Sharing with You

**SECOND ANNUAL REPORT
2006-2007**

BOARD OF DIRECTORS

SRI PAWAN JAIN – *Chairman*
SRI DAULAT JAIN – *Director*
SRI AMIT JAIN - *Director*
SRI BABULAL BAFNA - *Director*

AUDITORS

SAH LODHA & ASSOCIATES
CHARTERED ACCOUNTANTS
58/D, NETAJI SUBHASH ROAD,
3RD FLOOR, ROOM NO. 314
KOLKATA – 700 001

BANKERS

CITI BANK
HDFC BANK LTD.

REGISTERED OFFICE

'TRINITY'
226/1 A. J. C. Bose Road,
Kolkata – 700 020



DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Second Annual Report of the Company together with the audited Statement of Accounts for the year ended 31st March 2007.

FINANCIAL PERFORMANCE :

Financial Performance of the Company for the year ended 31st March, 2007 is as follows:

(Amount in Rupees)

Financial Results For The Year Ended	31 st March 2007	31 st March 2006
Total Income	120,000.00	—
Profit/(Loss) before depreciation and tax	55,440.51	—
Less: Depreciation	-	—
Profit/(Loss) before Tax	55,440.51	—
Less: Provision for Taxation	28,274.00	—
Profit / (Loss) after Tax	27,166.51	—
Balance brought forward from previous year	-	—
Profit Available for Appropriation	27,166.51	—
Appropriations:		—
Transfer to Statutory reserve u/s 451C of the RBI Act, 1934	-	—
Balance Transferred to Balance sheet	27,166.51	—

DIVIDEND:

Keeping in view the expansion plan of the company, your directors have decided to plough back the money into the business of the company and hence express their inability to declare any dividend for the year under review.

DIRECTOR:

As decided in the First Annual General meeting of the Company, the Directors are not liable to retire by rotation .During the year Mr. Babulal Bafna and Mr. Amit Jain have been appointed as Additional Director of the company w.e.f. 18.06.2006.

AUDITORS' REPORT:

The auditors have given their report on the Annual Accounts of the Company and there is no reservation or qualification made by them .The notes given in the Auditors' Report are self-explanatory and needs no further clarification.

AUDITORS:

M/s. Sah Lodha & Associates, Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting of the Company; and being eligible, offer themselves for re-appointment. The Company has received a Certificate from the Auditors that if reappointed, they are qualified under section 224(1B) of the Companies Act, 1956 to act as the Auditors of the Company. Your directors recommend the aforesaid re-appointment.



MATERIAL CHANGES AND COMMITMENTS :

There have been no material changes and commitments affecting the financial position of the company, which have occurred since March 31 2007, being the end of the Financial Year of the Company.

COMPLIANCE CERTIFICATE:

Pursuant to the provisions of section 383A of the Companies Act, 1956 read with Companies (Issue of Compliance Certificate) Rules, 2001, your Company has received a Compliance Certificate from V. Jain & Associates, Company Secretaries of 49, Nalini Seth Road, Ground Floor, Kolkata-700007. A copy of the same is enclosed herewith and forms part of this report.

STATUTORY AND OTHER INFORMATION :

There are no employees falling within the purview of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and as such the required particulars under the same has not been furnished.

There was no foreign exchange earnings or outgoes during the period under review

Since the Company does not own any manufacturing unit, the disclosure of information on the matter required to be disclosed in terms of section 217(1)(e) of the companies act 1956 read with the Companies (Disclosures of particulars in the Report of Board of Directors) Rules 1988, is not applicable and hence not given.

DIRECTORS RESPONSIBILITY STATEMENT:

As per the relevant provisions of section 217(2AA) of the Companies Act, 1956, the Directors of your Company confirm that:

1. In the preparation of the Annual accounts, the applicable accounting standards have been followed and there is no material departure from the same.
2. The directors have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year.
3. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act. 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities to the best of their knowledge and ability.
4. The directors have prepared the annual account on a going concern basis.

ACKNOWLEDGEMENTS:

Your Directors are grateful for the co operation and unstinted support from RBI, Our banker, & Other regulatory authorities, State Government and Central Government, Our clients. We look forward to receiving their continued support and encouragement.

The Board of directors wishes to express its gratitude and record its sincere appreciation of the dedicated efforts and commitment of all the employees. The Directors are thankful to the esteemed shareholders for their support and the confidence reposed in the company.

For and on behalf of the Board of Directors

**Place: Kolkata
Date: 29th June, 2007**

**(Pawan Jain)
Chairman**



AUDITORS' REPORT

To The Members of

ASHIKA PROPERTIES PRIVATE LIMITED

1. We have audited the attached Balance Sheet of **Ashika Properties Private Limited** (the 'Company') as at 31st March, 2007 and the relative Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standard generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also include assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order 2003, issued by the Central Government of India in accordance to section 227(4A) of the Companies Act 1956, and on the basis of our checks as we considered appropriate and according to information and explanations given to us during the course of our audit, we enclose in the Annexure, a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that :
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purposes of the audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors as on 31st March 2007, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2007 from being appointed as a director in terms of sub section 1(g) of section 274 of the Companies Act, 1956;

ASHIKA PROPERTIES PRIVATE LIMITED



- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the schedules and notes thereon and attached thereto give the information required by the Companies Act, 1956 in conformity with the accounting principles generally accepted in India and give a true and fair view:-
- i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2007;
 - ii) In the case of Profit and Loss Account of the profit for the year ended on 31st March, 2007; and
 - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on 31st March, 2007.

**58D, Netaji Subhash Road,
Kolkata - 700 001**

Date: 29th June, 2007

**For SAH LODHA & ASSOCIATES
Chartered Accountants**

**(P. K. SAH, FCA)
Partner**

Mem. No. 56216



ANNEXURE TO THE AUDITORS' REPORT

[Referred to in paragraph (2) of our report of even date]

- (i) a) The Company, we have been informed, has maintained proper records showing full particulars including details and situation of its office premises, being the only fixed asset of the Company as on the Balance Sheet date.
- b) As explained to us, the said premises have been physically verified by the management at appropriate intervals during the year, which in our opinion is reasonable. No material discrepancies have been found on such physical verification.
- c) The company has not disposed off any substantial part of fixed assets that would affect the going concern.
- (ii) Since the Company does not have any inventories the clauses relating to it are not applicable.
- (iii) The Company has not granted or taken any loans, secured or unsecured to / from companies, firms or other parties covered in the Register maintain u/s 301 of the Companies Act, 1956. Accordingly matters in (a) to (g) of clause 4 (iii) of the said Order, do not apply to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedure commensurate with the size of the Company and the nature of its business for purchase of fixed assets and for sale of goods & services. Further, on the basis of our examination of books of accounts and according to the information and explanations given to us we have not come across nor we have been informed of any instances of major weaknesses in the aforesaid internal control systems.
- (v) a) Register in pursuance in Section 301 of the Companies Act, 1956 have been maintained by the Company.
- b) No transaction has been entered into during the current year which are required to be entered in the Register to be maintained under Section 301 of the Companies Act, 1956. Hence, the clause is not applicable to the Company.
- (vi) The Company has not accepted any deposit during the year from the public within the meaning of the provisions of Section 58A and 58AA of the Companies Act, 1956 and rules framed thereunder.
- (vii) The Company did not have formal internal audit system but the internal control is exercise departmentally.
- (viii) The maintenance of cost records prescribed by the Central Government under clause (d) of sub-section (1) of Section 209 of the Act is not applicable to the Company.
- (ix) (a) According to the records of the Company and explanations given to us the company is regular in depositing undisputed dues payable in respect of Provident Fund, Investors Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess or any other dues, whatever applicable, with appropriate authority. There is no undisputed amount



payable in respect of such statutory dues which have remained outstanding as at the Balance Sheet date for a period more than six months from the date become payable.

- (b) As per information provided there are no cases of disputed dues of income tax, sales tax, wealth tax, service tax, customs duty, excise duty or cess.
- (x) As the Company has been registered for a period of less than five years the related clause regarding accumulated losses and cash loss are not applicable to the Company.
- (xi) The Company has not borrowed from financial institutions or banks or by issue of debentures, as such clause (xi) of the said Order is not applicable.
- (xii) The Company has not granted any loan and/or advances on the basis of securities by way of pledge of shares, debentures or other securities.
- (xiii) Clause (xiii) of the Order is not applicable to the Company as the Company is not a chit fund Company or nidhi / mutual benefit fund / society.
- (xiv) According to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions.
- (xvi) According to the information and explanations given to us, the Company has not obtained term loans during the year.
- (xvii) According to the information and explanations given to us, on an overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investment and vice-versa.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year and hence the question of whether the price at which shares have been issued is prejudicial to the interest of the Company does not arise.
- (xix) The Company has not issued any debentures during the year covered by our audit, accordingly clause 4(xix) of the said Order are not applicable to the Company.
- (xx) The Company has not raised any money through public issue during the financial year, accordingly clause 4(xx) of the said Order are not applicable to the Company.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For SAH LODHA & ASSOCIATES
Chartered Accountants

**58D, Netaji Subhash Road,
Kolkata - 700 001**

(P. K. SAH, FCA)
Partner

Date: 29th June, 2007

Mem. No. 56216



ASHIKA PROPERTIES PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2007

	<u>SCHEDULES</u>	<u>As at 31st March, 2007</u>	<u>As at 31st March, 2006</u>
		<u>Rs.</u>	<u>Rs.</u>
<u>SOURCES OF FUNDS</u>			
SHAREHOLDERS' FUNDS			
Share Capital	1	2,572,000.00	2,572,000.00
Reserves & Surplus	2	22,275,166.51	22,248,000.00
	TOTAL	<u>24,847,166.51</u>	<u>24,820,000.00</u>
<u>APPLICATION OF FUNDS</u>			
FIXED ASSETS			
Office Premises - At Cost (Refer Note No.B(3) in Schedule 8)	3	24,329,118.75	24,130,725.00
CURRENT ASSETS, LOANS & ADVANCES			
Cash & Bank Balances	4	409,249.76	333,763.25
Loans & Advances	5	50,000.00	50,000.00
		459,249.76	383,763.25
LESS :- Current Liabilities & Provisions	6	35,466.00	10,712.00
NET CURRENT ASSETS		423,783.76	373,051.25
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted.)			
Preliminary Expenses		94,264.00	117,830.00
Pre Operative Expenses		-	198,393.75
	TOTAL	<u>24,847,166.51</u>	<u>24,820,000.00</u>
ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS	8		

SCHEDULE '1' TO '6' AND '8' REFERRED TO ABOVE FORM AN INTEGRAL PART OF THE BALANCE SHEET

This is the Balance Sheet referred to in our report of even date

Place : Kolkata	P. K. SAH, FCA	For and on behalf of the Board
Dated : 29th June, 2007	<i>Partner</i>	Pawan Jain Director
	For and on behalf of	Daulat Jain Director
	Sah Lodha & Associates	
	Chartered Accountants	


PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2007

	<u>SCHEDULES</u>	Year ended	Year ended
		31st March, 2007	31st March, 2006
		Rs.	Rs.
<u>INCOME</u>			
Lease Rent		120,000.00	-
		<u>120,000.00</u>	<u>-</u>
<u>EXPENDITURE</u>			
Administrative & Other Expenses	7	34,814.29	-
Auditors' Remuneration		6,179.20	-
Preliminary Expenses written off		23,566.00	-
		<u>64,559.49</u>	<u>-</u>
<u>PROFIT BEFORE TAXATION</u>		55,440.51	-
LESS : Provision for Taxation			
- Current Tax		28,274.00	-
		<u>27,166.51</u>	<u>-</u>
PROFIT AFTER TAX CARRIED OVER TO BALANCE SHEET		27,166.51	-
Basic and Diluted Earnings per Share (in Rs.)		0.11	-
(Refer note no.B(8) in Schedule-8)			

ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS 8

SCHEDULES '7' AND '8' REFERRED TO ABOVE FORM AN INTEGRAL PART OF THE PROFIT & LOSS A/C

This is the Profit & Loss Account referred to in our report of even date

	P. K. SAH, FCA <i>Partner</i>	For and on behalf of the Board
Place : Kolkata	For and on behalf of	Pawan Jain (Director)
Dated : 29th June, 2007	Sah Lodha & Associates Chartered Accountants	Daulat Jain (Director)

**ASHIKA PROPERTIES PRIVATE LIMITED****SCHEDULES TO AND FORMING PART OF THE ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2007**

	As at 31st March 2007 <u>Rs.</u>	As at 31st March 2006 <u>Rs.</u>
SCHEDULE - 1		
<u>SHARE CAPITAL</u>		
Authorised		
5,00,000 Equity Shares of Rs.10/- each	<u>5,000,000.00</u>	<u>5,000,000.00</u>
Issued & Subscribed		
2,57,200 Equity Shares of Rs.10/- each	<u>2,572,000.00</u>	<u>2,572,000.00</u>
Called Up Paid Up		
2,57,200 Equity Shares of Rs.10/- each Fully paid up in cash [out of the above 2,00,000 Equity Shares of Rs.10/- each is held by it's Holding company Ashika Capital Limited and 47000 Equity Shares of Rs.10/- each is held by its ultimate Holding Company Ashika Credit Capital Limited] <i>(upto 12th February 2007, 2,00,000 Equity Shares of Rs.10/- each was held by its then Holding Company Ashika Insurance Broking & Risk Management Pvt. Ltd. and 47000 Equity Shares of Rs.10/- each is held by it's ultimate Holding company Ashika Credit Capital Limited .)</i>	<u>2,572,000.00</u>	<u>2,572,000.00</u>
SCHEDULE - 2		
<u>RESERVE & SURPLUS</u>		
Share Premium Account		
Balance as per Last Account	22,248,000.00	-
Add: During the Year	-	22,248,000.00
	<u>22,248,000.00</u>	<u>22,248,000.00</u>
Profit & Loss Account		
Surplus Balance in Profit & Loss Account	27,166.51	-
	<u>22,275,166.51</u>	<u>22,248,000.00</u>
SCHEDULE - 4		
<u>CASH AND BANK BALANCES</u>		
Cash in Hand <i>(As certified by Directors)</i>	298,495.00	309,471.00
Balances with Scheduled Banks		
<i>In Current Account -</i>		
CITI Bank	11,524.00	17,000.00
HDFC Bank Ltd	99,230.76	7,292.25
	<u>409,249.76</u>	<u>333,763.25</u>



SCHEDULES TO THE ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2007

**SCHEDULE - 3
FIXED ASSETS**

PARTICULARS	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK		
	As at 1st April, 2006 (Rs.)	Additions/ Adjustments (Rs.)	Withdrawals/ Adjustments (Rs.)	As at 31st Mar 2007 (Rs.)	As at 1st April 2006 (Rs.)	For the Year (Rs.)	Deductions/ Adjustments (Rs.)	As at 31st Mar 2007 (Rs.)	As at 31st Mar 2006 (Rs.)
Building Office Premises	24,130,725.00	# 198393.75	-	24,329,118.75	-	-	-	24,329,118.75	24,130,725.00
Total	24,130,725.00	-	-	24,329,118.75	-	-	-	24,329,118.75	24,130,725.00
TOTAL OF PREVIOUS YEAR	-	24,130,725.00	-	24,130,725.00	-	-	-	24,130,725.00	-

Pre-incorporation expenditure capitalised



ASHIKA PROPERTIES PRIVATE LIMITED

SCHEDULES TO AND FORMING PART OF THE ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2007

	As at 31st March 2007 <u>Rs.</u>	As at 31st March 2006 <u>Rs.</u>
SCHEDULE - 5		
<u>LOANS & ADVANCES</u>		
<i>Advances recoverable in cash or kind or for which value to be received</i>		
Deposit with Raheja Centre Premises Co-Operative Society Ltd.	<u>50,000.00</u>	<u>50,000.00</u>
SCHEDULE - 6		
<u>CURRENT LIABILITIES & PROVISIONS</u>		
Current Liabilities :		
Auditors' Remuneration Payable	5,618.00	5,612.00
TDS Payable	1,574.00	5,100.00
Provisions :		
For Income Tax (Asst Year 2007-08)	<u>28,274.00</u>	-
	<u>35,466.00</u>	<u>10,712.00</u>
SCHEDULE - 7		
<u>ADMINISTRATIVE & OTHER EXPENSES</u>		
Bank Charges	29.89	-
Fees & Subscriptions	2,948.00	-
General Expenses	975.00	-
Professional Fees	29,432.40	-
Postage & Telegram	425.00	-
Printing & Stationery	628.00	-
Interest Paid (Misc.)	376.00	-
	<u>34,814.29</u>	<u>-</u>



**SCHEDULES TO THE ACCOUNTS AS AT AND FOR THE YEAR ENDED
31ST MARCH, 2007**

SCHEDULES – 8

ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

A) ACCOUNTING POLICIES :

1. Basis of Accounting :

The Financial Statements are prepared and presented in accordance with general accepted accounting principle in India and the provisions of the Companies Act, 1956. The company follows the accrual method of accounting under historical cost convention.

2. Recognition of Income & Expenditure

All income and expenditure are accounted for on accrual basis.

3. Fixed Assets & Depreciation

- i) Fixed Assets are stated at their cost of acquisition less accumulated depreciation. Cost comprises of purchase price, duties, taxes and incidental expenses related to such acquisition and installation.
- ii) Depreciation on fixed assets has been provided on straight line method at rates prescribed under Schedule –XIV of the Companies Act, 1956.

4. Impairment of Fixed Assets

An asset is treated as impaired when carrying cost of asset exceeds it's recoverable amount. An impairment loss is charged to the profit & loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period, if any, is reversed if there has been a change in the estimate of the recoverable amount. None of the Company's Fixed Assets are considered impaired as on the Balance Sheet date.

5. Miscellaneous Expenditure

Preliminary Expenses is to be amortised in equal installments over a period of five years beginning from the year in which the Company starts commercial activity.

6. Contingent Liabilities :

Contingent Liabilities, if any not provided for, are disclosed by way of notes to the accounts.

7. Tax on Income

Tax expense (tax saving) is the aggregate of current year tax and deferred tax charged (or credited) to the Profit & Loss Account for the year.

i) Current Tax:

The current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with the relevant tax regulations applicable to the Company.

ii) Deferred Tax:

Deferred Tax resulting from timing differences between book and tax profit is recognized in the financial statement using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.



**SCHEDULES TO THE ACCOUNTS AS AT AND FOR THE YEAR ENDED
31ST MARCH, 2007**

SCHEDULES – 8 : NOTES TO THE ACCOUNTS (Contd.)

B) NOTES TO THE ACCOUNTS :

1. The Company has commenced its commercial activities w.e.f. 1st April, 2006. As such previous year's profit & loss figures are not available.
2. The Company has capitalized its pre-incorporation expenditure on 1st April, 2006, being the date of commercial activities by addition thereof to the office premises, being the only fixed asset of the Company as on that date.
3. The Company has not made provision for depreciation on its fixed asset, in view that the asset is not being used for its own business and instead leased out for the time being. The amount of depreciation for the year comes out to Rs.3,96,564.64 on straight line method at rates prescribed under Schedule –XIV of the Companies Act, 1956.
4. There are no deferred tax liabilities or assets as on the balance sheet date.
5. There are no contingent liability as on the balance sheet date.
6. The Business of the Company falls within a single primary business segment viz. 'Leasing of Property', the disclosure requirement of Accounting Standard (AS-17) 'Segment Reporting' issued by the Institute of Chartered Accountants of India is not applicable to the Company.
7. Auditor's Remuneration includes Statutory Audit Fees Rs.5,000/- (previous year Rs.5,000/-), Certification fees Rs.500/- (previous year Rs.Nil) and service tax Rs.679.20 (previous year Rs.612/-).
8. Basic and Diluted Earning Per Share :
For the purpose of calculation of Basic and Diluted Earnings Per Share the following amounts are considered:

Particulars	Amount (Rs.)	
	2007-2008	2006-2007
Profit considered for calculating EPS (Net Profit after Tax)	27166.51	-
Weighted average number of Equity Shares (Nos.)	257200	-
Nominal value of Equity Shares	10.00	-
Basic and Diluted Earnings per Share (Rs.)	0.11	-

ASHIKA PROPERTIES PRIVATE LIMITED**SCHEDULES TO THE ACCOUNTS AS AT AND FOR THE YEAR ENDED
31ST MARCH, 2007****SCHEDULES – 8 : NOTES TO THE ACCOUNTS (Contd.)**

9. Related parties transactions :

The Company have the following related parties –

Ultimate Holding Company	Ashika Credit Capital Limited
Holding Company	Ashika Capital Limited (upto 12th February 2007 Ashika Insurance Broking & Risk Management Private Limited, a subsidiary of Ashika Capital Limited)
Key Management Personnel	Mr. Pawan Jain Mr. Daulat Jain

Amount (Rs.)

Particulars	Holding Company	Key Management Personnel	Total
Income Lease Rent	120000/-	-	120000/-

10. Expenditure in Foreign Currencies - NIL
11. There are no outstanding dues to small scale industries undertakings as on the balance sheet date.
12. Previous year's figures has been rearranged and / or re-grouped, wherever considered necessary.
13. General Business Profile and Balance Sheet Abstract is annexed hereto.

SIGNATURE TO SCHEDULES 1 TO 8

Place : Kolkata Dated : 29th June, 2007	P. K. SAH, FCA <i>Partner</i> For and on behalf of Sah Lodha & Associates Chartered Accountants	For and on behalf of the Board Pawan Jain <i>Director</i> Daulat Jain <i>Director</i>
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ASHIKA PROPERTIES PRIVATE LIMITED

COMPANY'S GENERAL BUSINESS PROFILE AND BALANCE SHEET ABSTRACT (As required under Part IV, Schedule VI to the Companies Act, 1956)

(Figure in '000)

I. Registration Details :

Registration No. :

State Code :

Balance Sheet Date :

Date Month Year

II. Capital Raised During the Year :

Public Issue	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Right Issue	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Bonus Issue	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Private Placement	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

III. Position of Mobilisation and Deployment of Funds :

Sources of Funds	Total Liabilities	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="2"/> <input type="text" value="4"/> <input type="text" value="8"/> <input type="text" value="8"/> <input type="text" value="2"/>	Total Assets	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="2"/> <input type="text" value="4"/> <input type="text" value="8"/> <input type="text" value="8"/> <input type="text" value="2"/>
	Paid up Capital	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="2"/> <input type="text" value="5"/> <input type="text" value="7"/> <input type="text" value="2"/>	Reserves & Surplus	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="7"/> <input type="text" value="5"/>
Application of Funds	Secured Loans	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Unsecured Loans	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
	Net Fixed Assets	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="2"/> <input type="text" value="4"/> <input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="5"/>	Investments	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
	Net Current Assets*	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="4"/> <input type="text" value="2"/> <input type="text" value="4"/>	Misc. Expenditure	
	Accumulated Losses		Deferred Tax Assets / (Liabilities)	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

IV. Performance of Company :

Turnover	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="0"/>	Total Expenditure	<input type="text" value="-"/> <input type="text" value="6"/> <input type="text" value="5"/>
Profit/Loss before Tax		Profit after Tax	<input type="text" value="2"/> <input type="text" value="7"/>
		<input type="checkbox"/> + <input checked="" type="checkbox"/> -	
			<input type="text" value="-"/> <input type="text" value="2"/> <input type="text" value="7"/>
(Please Tick Appropriate Box + for Profit – for Loss)			
Earning Per Share	<input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="1"/>	Dividend Rate%	<input type="text" value="-"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

V. Generic Names of three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code A)	<input type="text" value="N"/> <input type="text" value="A"/>
Product Description	PROPERTY LEASING

As per our report of even date

Place : Kolkata Dated : 29th June, 2007	P. K. SAH, FCA <i>Partner</i>	For and on behalf of the Board
	For and on behalf of Sah Lodha & Associates Chartered Accountants	Pawan Jain Director Daulat Jain Director



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007

	<u>Year ended</u> <u>31st March, 2007</u>	<u>Year ended</u> <u>31st March, 2006</u>
	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax	55,440.51	-
Adjustments for :		
Preliminary Expenses Written off	23,566.00	-
Operating Profit Before Working Capital Changes	79,006.51	-
Adjustments for :		
(Increase) / Decrease in Loans & Advances	-	(50,000.00)
Increase / (Decrease) in Trade Payables	(3,520.00)	10,712.00
Net Cash From Operating Activities	75,486.51	(39,288.00)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Add / (Less):		
Preliminary & Pre-Operative Expenses	-	(316,223.75)
Purchase / Addition of Fixed Assets	-	(24,130,725.00)
Net Cash from Investing Activities	-	(24,446,948.75)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Add / (Less):		
Issue of Share Capital	-	24,820,000.00
Net Cash Used In Financing Activities	-	24,820,000.00
Net Increase In Cash And Cash Equivalents (A+B+C)	75,486.51	333,763.25
Cash And Cash Equivalents As At The Beginning Of The Year	333,763.25	-
Cash And Cash Equivalents As At The Close Of The Year	409,249.76	333,763.25

Note : Previous year's figures have been regrouped wherever necessary to conform to the current year's classification.

	P. K. SAH, FCA <i>Partner</i>	For and on behalf of the Board
Place : Kolkata Dated : 29th June, 2007	For and on behalf of Sah Lodha & Associates Chartered Accountants	Pawan Jain <i>Director</i> Daulat Jain <i>Director</i>



AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF ASHIKA CREDIT CAPITAL LIMITED GROUP

To
The Board of Directors,
ASHIKA CREDIT CAPITAL LIMITED

1. We have audited the attached Consolidated Balance Sheet of **Ashika Credit Capital Limited** ('the Company') and its Subsidiaries as at 31st March 2007, the consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, on Consolidated Financial Statements and Accounting Standard (AS) 23, on Accounting for Investment in Associates in Consolidated Financial Statements issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the Company and its subsidiaries included in the consolidated financial statements.
4. On the basis of information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the Company and its subsidiaries, we are of the opinion:
 - (a) The Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of the Company and its subsidiaries as on 31st March, 2007;
 - (b) The Consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of the Company and its subsidiaries for the year ended on that date; and
 - (c) The Consolidated Cash Flow Statement gives a true and fair view of the Consolidated Cash Flows of the Company and its subsidiaries for the year ended on that date.

For SAH LODHA & ASSOCIATES
Chartered Accountants

58D, Netaji Subhas Road,
Kolkata - 700 001
Date: 29th June, 2007

(P. K. SAH, FCA)
Partner

Mem. No. 56216

ASHIKA CREDIT CAPITAL LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2007

	SCHEDULES	As at 31st March, 2007	As at 31st March, 2006
		Rs.	Rs.
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	49,964,955.00	49,964,955.00
Reserves and Surplus	2	45,135,035.94	46,084,532.54
		95,099,990.94	96,049,487.54
Minority Interest	3	1,005,973.75	1,093,445.24
LOAN FUNDS			
Unsecured Loans	4	128,971,272.00	6,046,536.00
	TOTAL	225,077,236.69	103,189,468.78
APPLICATIONS OF FUNDS			
GOODWILL ON CONSOLIDATION (NET)		1,286,394.00	1,286,394.00
FIXED ASSETS			
Gross Block	5	33,167,657.25	36,106,330.11
Less: Depreciation		1,452,046.95	2,531,630.54
Net Block		31,715,610.30	33,574,699.57
Capital Work in Progress		-	3,546,457.00
		31,715,610.30	37,121,156.57
INVESTMENTS	6	10,996,534.00	28,736,361.31
CURRENT ASSETS, LOANS & ADVANCES			
Stock-in-Trade	7	-	1,954,660.70
Cash & Bank Balances	8	20,799,590.68	10,952,723.76
Sundry Debtors	9	325,750.00	396,982.00
Loans & Advances	10	163,388,415.04	40,072,458.91
		184,513,755.72	53,376,825.37
LESS :- CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	11	2,562,691.40	15,005,750.49
Provisions	12	959,048.00	2,249,067.60
		3,521,739.40	17,254,818.09
NET CURRENT ASSETS		180,992,016.32	36,122,007.28
DEFERRED TAX ASSETS /(LIABILITIES)		(114,772.53)	(566,485.53)
MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted.)			
Preliminary & Pre-Operative Expenses		201,454.60	490,035.15
	TOTAL	225,077,236.69	103,189,468.78

ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS 19
SCHEDULES '1' TO '12' AND '19' REFERRED TO ABOVE FORM AN INTEGRAL PART OF THE BALANCE SHEET

This is the Consolidated Balance Sheet referred to in our report of even date

	P. K. SAH, FCA	For and on behalf of the Board
	<i>Partner</i>	
Place : Kolkata	For and on behalf of	Pawan Jain Director
Dated : 29th June, 2007	Sah Lodha & Associates	Daulat Jain Director
	Chartered Accountants	Anju Lohiya Company Secretary



CONSOLIDATED PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 2007

	SCHEDULES	Yearended	Yearended
		31st March, 2007	31st March, 2006
		Rs.	Rs.
INCOME			
Sale of Shares etc.		23,482,886.83	445,602,528.43
Profit from Derivatives / Intra day Trading in Shares etc.		73,234.86	14,444,424.80
Merchant Banking Operations		10,590,276.00	8,080,954.00
Insurance Brokerage		35,571.70	-
Brokerage & Incentives		18,415.00	82,487.00
Interest Income	13	7,227,583.43	5,001,233.26
Profit on Disposal of Investment in Associate Company		1,253,000.00	1,620,950.00
Other Income	14	4,000.00	3,673,404.40
		42,684,967.82	478,505,981.89
EXPENDITURE			
Purchase of Shares etc.		21,245,858.60	433,809,971.04
(Increase)/Decrease in Stocks	15	1,954,660.70	11,891,399.20
Other Direct Expenses	16	28,432.05	431,245.17
Administrative & Other Expenses	17	14,560,425.91	12,337,007.44
Auditors' Remuneration		152,699.20	76,078.40
Loss / (Profit) on Sale of Investment in Shares		1,610.00	(466.63)
Loss / (Profit) on sale of Fixed Asstes		170,489.98	9,014.54
Preliminary / Pre-Operative Expenses written off		90,186.80	66,620.80
		38,204,363.24	458,620,869.96
PROFIT BEFORE INTEREST, DEPRECIATION & TAXATION			
		4,480,604.58	19,885,111.93
LESS : Interest	18	2,007,853.00	10,009,042.56
PROFIT BEFORE DEPRECIATION AND TAXATION			
		2,472,751.58	9,876,069.37
LESS : Depreciation		608,234.50	659,704.48
PROFIT BEFORE TAXATION			
		1,864,517.08	9,216,364.89
LESS : Provision for Taxation			
<i>Current Tax</i>		712,950.00	1,005,616.00
<i>Deferred Tax Liabilities</i>		(451,713.00)	94,703.72
<i>Fringe Benefit Tax</i>		242,528.00	153,974.60
		503,765.00	
PROFIT AFTER TAXATION			
		1,360,752.08	7,962,070.57
ADD : Balance brought forward from previous year		13,258,860.14	6,192,795.79
LESS : Securities Transaction Tax relating to earlier year w/off		(900,358.86)	-
LESS : Amount relating to erstwhile Subsidiaries		-	(1,440,664.48)
LESS : Amount relating to erstwhile Associate Company		(1,409,361.31)	-
ADD : Minority Interest in (Profit) / Loss		(528.51)	2,119.80
ADD : Share in Profit in of Investment in Associate Company		-	2,023,527.46
Profit Available for Appropriation		12,309,363.54	14,739,849.14



CONSOLIDATED PROFIT & LOSS ACCOUNT (Contd.)

FOR THE YEAR ENDED 31ST MARCH, 2007

SCHEDULES	Year ended	Year ended
	31st March, 2007	31st March, 2006
	Rs.	Rs.
APPROPRIATIONS		
Transfer to Statutory Reserves	256,248.00	1,480,989.00
Balance Carried to Balance Sheet	12,053,115.54	13,258,860.14
	<u>12,309,363.54</u>	<u>14,739,849.14</u>
Basic and Diluted Earnings Per Share (in Rs.)	0.27	1.59
[Refer note no. B(6) in Schedule 19]		

ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS 19

SCHEDULES '13' TO '19' REFERRED TO ABOVE FORM AN INTEGRAL PART OF THE PROFIT & LOSS A/C

This is the Consolidated Profit & Loss Account referred to in our report of even date

Place : Kolkata Dated : 29th June, 2007	P. K. SAH, FCA <i>Partner</i>	For and on behalf of the Board
	For and on behalf of Sah Lodha & Associates Chartered Accountants	Pawan Jain <i>Director</i> Daulat Jain <i>Director</i> Anju Lohiya <i>Company Secretary</i>



ASHIKA CREDIT CAPITAL LIMITED

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2007

	As at 31st March 2007 <u>Rs.</u>	As at 31st March 2006 <u>Rs.</u>
SCHEDULE - 1		
SHARE CAPITAL		
Authorised		
52,50,000 Equity Shares of Rs.10/- each	<u>52,500,000.00</u>	<u>52,500,000.00</u>
Issued & Subscribed		
50,01,000 Equity Shares of Rs.10/- each	<u>50,010,000.00</u>	<u>50,010,000.00</u>
Paid Up		
Fully Called and paid up in cash		
49,94,826 Equity Shares of Rs.10/- each	<u>49,948,260.00</u>	<u>49,948,260.00</u>
Add: Forfeited shares	<u>16,695.00</u>	<u>16,695.00</u>
	<u>49,964,955.00</u>	<u>49,964,955.00</u>
 SCHEDULE - 2		
RESERVES & SURPLUS		
Share Premium Account		
Balance as per Last Account	(A) <u>29,187,000.00</u>	<u>29,187,000.00</u>
Statutory Reserve		
Balance as per Last Account	<u>3,638,672.40</u>	<u>2,157,683.40</u>
Add: Transferred during the year	<u>256,248.00</u>	<u>1,480,989.00</u>
	(B) <u>3,894,920.40</u>	<u>3,638,672.40</u>
Profit & Loss Account		
Surplus Balance	(C) <u>12,053,115.54</u>	<u>13,258,860.14</u>
	(A)+(B)+(C) <u>45,135,035.94</u>	<u>46,084,532.54</u>
 SCHEDULE - 3		
MINORITY INTEREST		
Share Capital	<u>123,770.40</u>	<u>211,770.40</u>
Share Premium	<u>883,623.60</u>	<u>883,623.60</u>
Share in Profit & Loss Account	<u>(1,420.25)</u>	<u>(1,948.76)</u>
	<u>1,005,973.75</u>	<u>1,093,445.24</u>
 SCHEDULE - 4		
UNSECURED LOANS		
From Bodies Corporates	<u>128,971,272.00</u>	<u>6,046,536.00</u>



SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2007

**SCHEDULE - 5
FIXED ASSETS**

PARTICULARS	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK		
	As at 1st April, 2006 (Rs.)	Additions/ Adjustments (Rs.)	Withdrawals/Adjustments (Rs.)	As at 31st Mar 2007 (Rs.)	As at 1st April 2006 (Rs.)	For the Period (Rs.)	Deductible/Adjustments (Rs.)	As at 31st Mar 2007 (Rs.)	As at 31st Mar 2006 (Rs.)
TANGIBLE ASSETS									
BUILDING	24,130,725.00	198,393.75	-	24,329,118.75	33,167.79	10,204.00	-	24,329,118.75	24,723,667.21
OFFICE PREMISES #	626,110.00	-	-	626,110.00	-	-	-	626,110.00	592,942.21
PLANT & MACHINERY									
FAX MACHINE	29,500.00	9,360.00	22,000.00	16,860.00	12,123.00	801.00	11,910.00	15,846.00	17,377.00
TYPE MACHINE	7,319.00	-	7,319.00	-	4,174.98	261.00	4,435.98	-	3,144.02
AIR CONDITIONER	945,248.00	307,940.00	748,248.00	504,940.00	123,792.18	23,984.50	121,382.18	478,545.50	821,455.82
CELLULAR PHONE	101,879.00	-	101,879.00	-	32,709.74	3,630.00	36,339.74	-	69,169.26
PAGER	32,429.40	-	32,429.40	-	14,193.16	1,155.00	15,348.16	-	18,236.24
TELEPHONE	61,753.00	-	54,082.00	7,671.00	29,744.46	2,290.00	30,577.72	1,456.74	32,008.54
XEROX MACHINE	59,324.32	-	59,324.32	74,880.00	27,988.05	6,504.00	23,130.05	11,362.00	31,336.27
CCTV SYSTEM	172,847.00	-	104,847.00	324,050.00	5,062.11	12,162.00	5,062.11	311,888.00	167,784.89
TELEVISION SET	-	31,000.00	-	31,000.00	-	1,355.00	-	29,645.00	-
AUDIO SYSTEM	51,333.00	-	51,333.00	-	2,478.40	-	2,478.40	-	48,854.60
TIME ATTENDING MACHINE	133,603.00	-	133,603.00	-	6,450.46	-	6,450.46	-	127,152.54
MOTOR CAR	942,615.00	-	577,615.00	365,000.00	461,395.49	58,393.00	362,848.49	156,940.00	481,219.51
COMPUTER & PRINTER	901,533.00	955,939.00	-	1,857,472.00	698,238.62	171,511.00	-	869,749.62	203,294.38
FURNITURE & FIXTURES									
FILING CABINET	44,131.60	-	44,131.60	-	28,672.24	-	28,672.24	-	15,459.36
FURNITURE	7,096,575.79	3,782,968.00	6,256,520.29	4,623,023.50	952,671.54	288,543.00	939,441.24	301,773.30	6,143,904.25
EPABX MACHINE	742,560.00	370,282.00	735,310.00	377,532.00	86,714.99	23,898.00	86,412.99	24,200.00	655,845.01
WATER COOLER	26,844.00	-	26,844.00	-	12,053.33	1,275.00	13,328.33	-	14,790.67
INTANGIBLE ASSETS									
Softwares	-	30,000.00	-	30,000.00	-	2,268.00	-	27,732.00	-
Sub Total	36,106,330.11	6,016,812.75	8,955,485.61	33,167,657.25	2,531,630.54	608,234.50	1,687,818.09	1,452,046.95	34,167,641.78
Capital Work in Progress (Including Advances on Capital Account)	3,546,457.00	-	3,546,457.00	-	-	-	-	-	3,546,457.00
GRAND TOTAL	39,652,787.11	6,016,812.75	12,501,942.61	33,167,657.25	2,531,630.54	608,234.50	1,687,818.09	1,452,046.95	37,714,098.78
TOTAL OF PREVIOUS YEAR	10,602,373.03	29,200,822.08	150,408.00	39,652,787.11	1,904,589.52	659,704.48	32,663.46	2,531,630.54	8,697,783.51

Provision for Depreciation has not made in view that the assets is not being used for own business and instead leased out for the time being.

Note : Depreciation has been provided on Straight Line Method at the rates specified in Schedule-XIV to the Companies Act, 1956 on pro-rata basis.



SCHEDULES TO THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2007

	As at 31st March 2007 <u>Rs.</u>	As at 31st March 2006 <u>Rs.</u>
SCHEDULE - 6		
INVESTMENTS - Long Term		
Non - Trade		
Equity Shares - fully paid up of Rs.10/- each		
In Associate Company		
<i>Unquoted #</i>	-	19,268,361.31
In Others		
<i>Quoted</i>	1,528,534.00	-
<i>Unquoted</i>	9,000,000.00	9,000,000.00
Government Securities	468,000.00	468,000.00
	<u>10,996,534.00</u>	<u>28,736,361.31</u>
<i># disposed off during the year</i>		
 SCHEDULE - 7		
STOCK-IN-TRADE		
<i>(Valued at lower of cost or fair value)</i>		
In shares of Joint Stock Companies	-	1,954,660.70
	<u>-</u>	<u>1,954,660.70</u>
 SCHEDULE - 8		
CASH AND BANK BALANCES		
Cash in Hand		1,615,104.88
906,129.38		
<i>(As certified by Management)</i>		
Cheque in Hand	1,433,149.40	1,957,434.45
Balances with Scheduled Banks		
<i>In Fixed Deposit Accounts</i>		5,272,000.00
	5,055,659.08	
<i>In Current Accounts</i>	12,479,336.40	3,033,500.85
	<u>20,799,590.68</u>	<u>10,952,723.76</u>



SCHEDULES TO THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2007

	As at 31st March 2007 <u>Rs.</u>	As at 31st March 2006 <u>Rs.</u>
SCHEDULE - 9		
<u>SUNDRY DEBTORS</u>		
(Unsecured, considered goods)		
Debts outstanding exceeding six months	194,650.00	-
Other Debts	131,100.00	396,982.00
	<u>325,750.00</u>	<u>396,982.00</u>
SCHEDULE - 10		
<u>LOANS AND ADVANCES</u>		
Loans & Other Credit Facilities		
Secured, considered good	17,384,017.00	-
Unsecured, considered good	114,488,638.68	1,630,565.68
	<u>131,872,655.68</u>	1,630,565.68
Less : Cash Security (Interest free)	1,260,000.00	-
	<u>130,612,655.68</u>	1,630,565.68
Advances recoverable in cash or in kind or for value to be received		
Prepaid Expenses	218,552.50	375,163.17
Interest accrued but not due :		
<i>On Bank Fixed Deposits</i>	63,207.24	33,438.99
<i>On Govt. Securities</i>	12,300.00	12,300.00
Margin Money Deposits	23,000,000.00	32,631,626.00
Share Application Money (Pending Allotment)	2,500,000.00	-
Other Advances	4,008,737.00	810,097.33
Security Deposits	697,163.00	1,245,163.00
Tax Payments :		
Prepaid Income Tax	2,275,799.62	3,334,104.74
	<u>163,388,415.04</u>	<u>40,072,458.91</u>
SCHEDULE -11		
<u>CURRENT LIABILITIES</u>		
Sundry Creditors :		
- For Fixed Assets	111,037.00	584,056.00
- For Purchases	-	183,134.96
- For Expenses & Other Finance	1,142,219.20	3,231,954.73
Unclaimed Dividend	52,900.80	52,900.80
Advances from Customers	51,000.00	51,000.00
Others	1,205,534.40	10,902,704.00
	<u>2,562,691.40</u>	<u>15,005,750.49</u>



SCHEDULES TO THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2007

	As at 31st March 2007 <u>Rs.</u>	As at 31st March 2006 <u>Rs.</u>
SCHEDULE -12		
<u>PROVISIONS</u>		
For Income Tax	716,520.00	2,095,093.00
For Fringe Benefit Tax	242,528.00	153,974.60
	<u>959,048.00</u>	<u>2,249,067.60</u>
SCHEDULE -13		
<u>INTEREST INCOME</u>		
Interest on Loans & Other Credit Facilities	6,825,484.00	4,087,276.33
Interest on Margin Deposits	-	639,426.00
Interest on Government Securities	49,200.00	49,200.00
Other Interest	-	86,584.03
Interest from Bank	352,899.43	138,746.90
	<u>7,227,583.43</u>	<u>5,001,233.26</u>
SCHEDULE -14		
<u>OTHER INCOME</u>		
Dividend - on Investments	-	3,757.50
Dividend - on Stock-in-Trade	4,000.00	2,829,646.90
Rent Received	-	840,000.00
	<u>4,000.00</u>	<u>3,673,404.40</u>
SCHEDULE -15		
<u>(INCREASE)/DECREASE IN STOCKS OF SHARES ETC.</u>		
Opening Stock	1,954,660.70	13,846,059.90
Less: Closing Stock	-	1,954,660.70
	<u>1,954,660.70</u>	<u>11,891,399.20</u>
SCHEDULE - 16		
<u>OTHER DIRECT EXPENSES</u>		
Service Tax Paid	2,596.27	98,411.57
Stamp Charges	11,940.24	223,072.00
Transaction Charges	3,160.68	63,677.68
Demat Charges	2,403.54	6,921.60
Securities Transactions Tax	8,331.32	39,162.32
	<u>28,432.05</u>	<u>431,245.17</u>



SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2007

	As at 31st March 2007	As at 31st March 2006
	Rs.	Rs.
SCHEDULE - 17		
<u>ADMINISTRATIVE AND OTHER EXPENSES</u>		
Salary ,Bonus and other allowances	5,446,032.00	4,236,171.00
Staff Welfare Expenses	284,435.00	198,703.93
Employers Contribution to Provident Fund	98,886.00	-
Travelling and Conveyance	1,305,836.92	1,196,314.12
Printing and Stationary	193,270.15	142,292.55
Books and Periodicals	460.00	1,955.00
Postage and Courier	105,978.00	30,926.50
Telephone Expenses	727,983.29	403,762.93
Rent & Electricity	594,175.08	346,987.00
Internet Expenses	-	3,306.00
Car Maintenance Expenses	127,581.00	311,655.00
Computer Maintenance	139,049.00	3,086.00
Miscellaneous Expenditure	1,210,310.50	404,021.99
Business Promotion Expenses	705,686.45	115,246.29
Repair & Maintenance	717,497.91	552,728.45
Donations	1,000,000.00	-
Professional / Consultancy Fees	191,449.20	212,174.00
Insurance Charges	10,729.00	16,578.59
Fees & Subscription	312,763.00	1,004,785.00
Web Site Expenses	-	71,550.00
Advertisement	68,923.50	217,782.83
Directors Meeting Fees	108,000.00	44,000.00
Bank Charges & Commission	9,116.65	4,860.19
Sundry Balances written off	2,263.26	120.07
Lease Rent	-	1,618,000.00
Payment to Director		
M.D.'s Remuneration (Minimum Remuneration)	1,200,000.00	1,200,000.00
	14,560,425.91	12,337,007.44

SCHEDULE - 18

INTEREST PAID

Interest on Bank Overdraft	-	61,302.00
Interest on Unsecured Loans	1,933,087.00	672,068.00
Other Interest	74,766.00	4,088.00
	2,007,853.00	737,458.00



SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2007

SCHEDULES – 19 :

ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

A) Significant Accounting Policies :

1. Basis of Consolidation

- a) The Consolidate Financial Statements are prepared in accordance with AS-21 on Consolidated Financial Statements and AS-23 on Accounting for Investments in Consolidated Financial Statements issued by the Chartered Accountants of India. The Consolidated Financial Statements represents consolidation of financial statements of Ashika Credit Capital Limited ('the Holding Company') and its subsidiaries ('the Group').
- b) The financial statements of Holding Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and / or intra-group transactions resulting in unrealised profits or losses.
- c) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Holding Company's separate financial statements.
- d) The difference between the costs of investment in the subsidiary companies over the net assets is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.
- e) In the case of Investment in a subsidiary where the holding is less than 100%, minority interest in the net assets of consolidated subsidiary consists of :
 - i) The amount of equity attributable to minorities at the date on which investments in the subsidiary is made .
 - ii) The minorities' share of movement in equities since the date of the Holding subsidiary relationship came into existence.
 - iii) Minorities' interest's share of net profit for the year of consolidated subsidiary is identified and adjusted against profit after tax of the group.
- f) The financial statements of the subsidiaries used in the consolidation are drawn upto the same reporting date as that of the Holding Company i.e. 31st March, 2007.



SCHEDULES TO THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2007

SCHEDULES – 19 (Contd.)

g) Companies included in Consolidation :

Name of Company	Relationship	Country of Incorporation	Period/Year ended included in Consolidation	Proportion of Ownership Interest
Ashika Capital Limited	Subsidiary	India	31st March, 2007	100%
Ashika Properties Private Limited (18.27% holding by Ashika Credit Capital Limited and 77.76% holding by Ashika Capital Limited)	Fellow Subsidiary	India	31st March, 2007	96.03%
Ashika Insurance Broking & Risk Management Private Limited (99.58 holding by Ashika Capital Limited)	Fellow Subsidiary	India	31 st March, 2007	99.58%

Notes : The Company during the year has divested its holding of 26.51% in the Associate Company M/s. Ashika Stock Broking Limited on 31st January, 2007

2. Other Accounting Policies

The accounting policies are stated out under "Accounting Policies" of the individual financial statements of the Company and its subsidiaries, unless otherwise stated.

B) Notes on Accounts :

- The Company has divested its 26.51% holding in the only associate company, M/s. Ashika Stock Broking Limited on 31st January, 2007 and hence the consolidated financial statements does not include accounts of associate. The sale value as reduced by the cost of acquisition (carrying amount of investment in associate after adjusting the share in post acquisition accumulated net profit) has been treated as income in Profit & Loss Account.
- The Company, as per management, has no contingent liabilities as on the Balance Sheet date.
- The major components of deferred tax assets/(liabilities) are:

	Deferred Tax Assets / (Liabilities) as at 01/04/2006	Current Year (Charge) / Credit	Deferred Tax Assets / (Liabilities) as at 31/03/2007
Difference between book and tax depreciation of Fixed Assets	-566485.53	156528.22	-409957.31
Carried Forward Business Loss	-	289538.25	289538.25
Carried Forward Unabsorbed Depreciation	-	5646.53	5646.53
	-566485.53	451713.00	-114772.53



SCHEDULES TO THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2007

SCHEDULES – 19 (Contd.)

4. Related Parties Disclosures as per applicability of AS-18
Names of the related parties with whom transactions have been entered and description of relationship:

a) Related Party where significant Influence exists

Associate Company : Ashika Stock Broking Limited
(upto 31st January'2007)

b) Key Management Personnel

Mr. Pawan Jain : Managing Director

Relatives of Key Management Personnel

Mr. Daulat Jain : Brother of Mr. Pawan Jain (also a non-executive Director)

c) Transactions during the year with Related parties :

	Associate Company (upto 31st January, 2007)	Key Management Personnel And their relatives	Total
Reduction in Share Capital	-	88000	88000
Current Liabilities			
Other Advances	1230879	-	1230879
Margin Money Granted			
a) Given during the year	183000000	-	183000000
b) Returned during the year	171500000	-	171500000
c) Balance as at 31 st March,2007	11500000	-	11500000
Investments			
Purchase of Investments	3319291	-	3319291
Sale of Investments	1789147	23812000	23812000
Sale of Fixed Assets	6947378	-	6947378
Stock Market Transactions			
a) Sale of Stock-in-Trade	21532887	-	21532887
b) Purchase of Stock-in- Trade	21245859	-	21245859
c) Income/(Expenditure) from Derivatives/ Intra-day Trading	73235	-	73235
d) Receivables/ (Payables)	-	-	-
Expenditure			
a) Managerial Remuneration	-	1200000	1200000
b) Depository Charges	1187	-	1187

Note : a) In the opinion of the Company, non-executive directors are not Key Management Personnel for AS- 18. Hence, transactions with non-executive directors are not considered for the above.
b) Figures of transaction with the associate company represent figures for the whole years i.e. include figures relating to the post divestment period.



SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2007

SCHEDULES –19 : Accounting Policies and Notes to the Accounts (Contd.)

5. Segment wise details as required by AS-17 issued by the Institute of Chartered Accountants of India-

	Investment and Finance	Merchant Banking Services	Insurance Broking	Others	Total
Segment Revenue	8199773.86	34096722.83	388471.13	-	42684967.82
Segment Result	1437004.27	885510.42	(393438.12)	(64559.49)	1864517.08
Tax Expenses (Incl. Deferred Tax)	181030.38	583359.78	(288899.16)	28274.00	503765.00
Net Profit After Tax	1255973.89	302150.64	(104538.96)	(92833.49)	1360752.08
Segment Assets	163806166.86	21777833.89	5856996.96	24788368.51	216229366.02
Segment Liabilities	130162458.40	2184540.00	110547.00	35466.00	132493011.40
Capital Expenditure	-	2216617.00	55345.00	-	2271962.00
Depreciation	42169.00	562120.50	3945.00	-	608234.50
Other Non-Cash expenditure	-	13025.80	53595.00	23566.00	90186.80

6. Basic and Diluted Earning Per Share

For the purpose of calculation of Basic and Diluted Earning Per Share the following amounts are considered :

Particulars	For the Year ended 31st March, 2007	For the Year ended 31st March, 2006
a) Net Profit after Tax	1360652.08	7962070.57
b) Opening Nos. of Shares	4994826	4994826
c) Total Shares Outstanding	4994826	4994826
c) Basic and Diluted Earnings Per Share (Rs.) (a/c)	0.27	1.59

7. Figures pertaining to the subsidiary and associate companies have been reclassified wherever necessary to bring them in line with the Holding Company's financial statements.
8. Previous year's figures have been rearranged or regrouped wherever deemed necessary to conform with Current years presentation.

As per our report of even date

<p>Place : Kolkata Dated : 29th June, 2007</p>	<p>P. K. SAH, FCA <i>Partner</i> For and on behalf of Sah Lodha & Associates Chartered Accountants</p>	<p>For and on behalf of the Board Pawan Jain <i>Director</i> Daulat Jain <i>Director</i> Anju Lohiya <i>Company Secretary</i></p>
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CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007

	Year ended 31st March <u>2007</u> Rs.	Year ended 31st March <u>2006</u> Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax	1,864,517.08	9,216,364.89
<i>Adjustments for :</i>		
Depreciation on Fixed Assets	608,234.50	659,704.48
Preliminary & Pre-operative Expenses Written off	90,186.80	66,620.80
Loss on Sale of Fixed Assets	170,489.98	9,014.54
(Profit) / Loss on Sale of Investment in Subsidiaries	—	(1,620,950.00)
(Profit) / Loss on Sale of Investment in Associates	(1,253,000.00)	—
(Profit) / Loss on Sale of Other Investment	1,610.00	(466.63)
Interest / Dividend Income on Investments	(53,200.00)	(52,957.50)
Interest Expenses	1,938,592.00	10,009,042.56
Operating Profit Before Working Capital Changes	3,367,430.36	18,286,373.14
<i>Adjustments for :</i>		
(Increase) / Decrease in Stock In Trade	1,954,660.70	11,891,399.20
(Increase) / Decrease in Trade Receivables	71,232.00	19,340,169.13
(Increase) / Decrease in Loans and Advances	(120,519,859.89)	26,580,061.01
Increase / (Decrease) in Trade Payables	(12,458,059.09)	(9,184,617.87)
Cash Generated From Operations	(127,584,595.92)	66,913,384.61
<i>Adjustments for :</i>		
Interest Expenses	(1,938,592.00)	(10,009,042.56)
Direct Tax Refunds / (Paid)	(2,000,633.70)	(2,519,219.17)
Net Cash From Operating Activities	(131,523,821.61)	54,385,122.88
B. CASH FLOW FROM INVESTING ACTIVITIES		
<i>Add / (Less):</i>		
Purchase of Fixed Assets (incl. Capital WIP)	(2,271,962.00)	(29,098,782.08)
Sale of Fixed Assets	7,097,177.54	1,500.00
Purchase of Investments	(3,450,391.00)	(24,633,000.00)
Sale of Investment in Subsidiaries	19,112,000.00	34,843,450.00
Sale of Other Investment	1,920,247.00	284,749.46
Interest / Dividend Income on Investments	53,200.00	52,957.50
Share Application Money Paid	(2,500,000.00)	-
Net Cash from Investing Activities	19,960,271.54	(18,549,125.12)


**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED
31ST MARCH, 2007 (Contd.)**

	Year ended 31st March <u>2007</u> Rs.	Year ended 31st March <u>2006</u> Rs.
C. CASH FLOW FROM FINANCING ACTIVITIES:		
<i>Add / (Less):</i>		
Issue of Share Capital	-	120,000.00
Share Capital Reductions	(88,000.00)	-
Short Term Borrowings / (Repaid)	121,498,417.00	(27,284,030.00)
Dividend Paid	-	(998,965.20)
Preliminary & Pre-operative Expenses	-	(316,223.75)
Net Cash Used In Financing Activities	121,410,417.00	(28,479,218.95)
Net Increase In Cash And Cash Equivalents (A+B+C)	9,846,866.92	7,356,778.81
Cash And Cash Equivalents As At The Beginning Of The Year	10,952,723.76	3,595,944.95
Cash And Cash Equivalents As At The Close Of The Year	20,799,590.68	10,952,723.76

Note: Previous year's figures have been regrouped wherever necessary to conform to the current year's classification.

As per our report of even date

Place : Kolkata
Dated : 29th June, 2007

P. K. SAH, FCA
Partner
For and on behalf of
Sah Lodha & Associates
Chartered Accountants

For and on behalf of the Board
Pawan Jain *Director*
Daulat Jain *Director*
Anju Lohiya *Company Secretary*