



DRIVING WORK ETHICS

TRANSPARENT TO STAKEHOLDERS

LEVERAGING TECHNOLOGY

SATISFYING CLIENT REQUIREMENTS

FORWARD-THINKING APPROACH

# PUTTING STRATEGIES INTO HIGH GEAR



# READER'S NAVIGATION

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## FORWARD-LOOKING STATEMENT

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

At Ashika Credit Capital Limited, we are driven by our singular commitment to customer satisfaction. Our experience and expertise enable us to provide value-added financial services to a wide cross-section of customers. We are catalysing our strategies to create long-term value for all stakeholders.



# QUICK LOOK AT OUR OPERATIONS

This is Ashika Credit Capital Limited. One of the trusted companions when it comes to meeting the financial needs of our customers.

## ASHIKA CREDIT CAPITAL LIMITED (ACCL) - AT A GLANCE

- ✔ We were incorporated as Ashika Credit Capital Private Limited in March 1994 and subsequently converted into a public limited company in September 1996.
- ✔ We floated our shares to public in September 2000 and got listed with Calcutta Stock Exchange Ltd.
- ✔ In November 2011, our shares got traded on nationwide platform of Bombay Stock Exchange Ltd under " Permitted Securities category."
- ✔ We are registered with the RBI as a non-deposit taking Non-Banking Financial Company (NBFC).
- ✔ We are engaged in fund-based activities like providing loans and advances to individual, corporate & others , investment in shares & securities and many more.
- ✔ Our registered office is located in Kolkata, India.

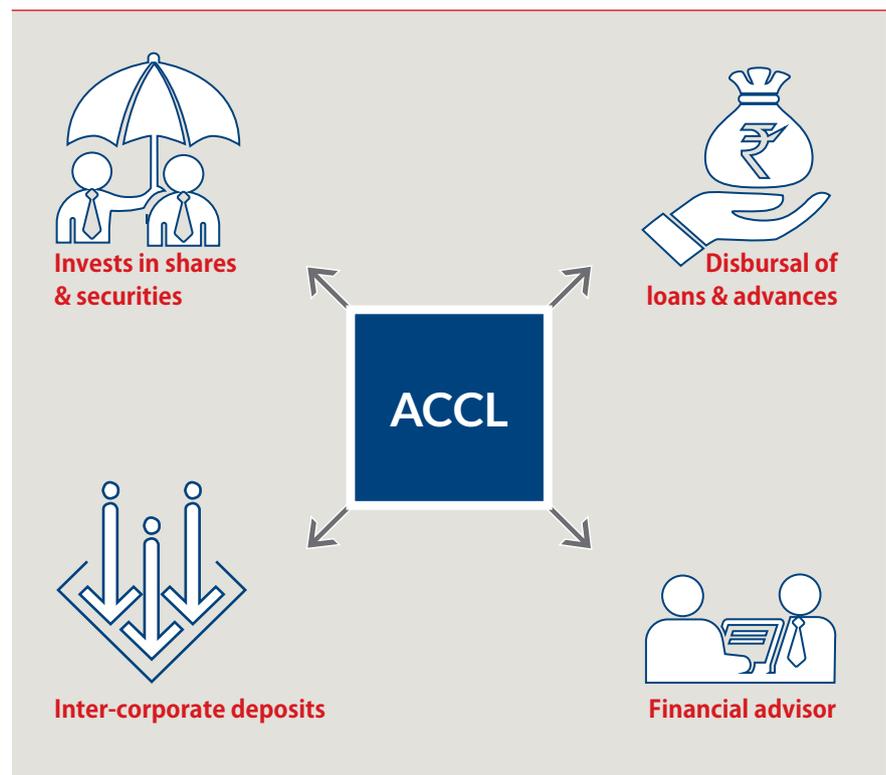
## One Vision

To be a globally recognised financial service provider, leverage the best of technology, people and ideas.

## Our Mission

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

## WHAT WE OFFER



## MESSAGE FROM CHAIRMAN



The overall scenario is expected to become brighter, as the improved performance of the developed economies is likely to lead to more export opportunities for the developing ones.



**Pawan Jain**, *Chairman and Managing Director*

Dear Shareholders,

**The FY 2013-14 witnessed signs of a gradual recovery in the global economy, with the growth impetus emanating from advanced economies. The pattern of recovery, however, tended to remain uneven. While developed economies like the US demonstrated distinct signs of improvement, the pace of growth was more subdued in the Eurozone.**

On the other hand, there was a perceptible slowdown in growth in emerging economies owing to structural bottlenecks. India bore the brunt of sluggish infrastructure and corporate investments, weak consumer sentiments, stubborn inflation and policy inertia. China, however, focused on a more balanced growth strategy. The overall scenario though, is expected to become brighter, as the improved performance of the developed economies is likely to lead to more export opportunities for the developing ones.

Coming back to India, the 4.7% growth in the domestic GDP in FY 2013-14 was merely an extension of the sub-5% growth that the country has been experiencing for the last two years. However, the formation of a stable government at the Centre is likely to result in a host of fiscal measures and industrial reforms aimed at the upliftment of the economy. These initiatives could result in an increase in the GDP growth rate by as much as 6.0% in FY 2015 (Source: Asian Development Bank).



**India's NBFC sector witnessed phenomenal growth in the last ten years, with the average CAGR remaining at 22% between March 2006 and March 2013.**



**Our consistent focus on our seven business ethos (trust and relationships, transparency, compliance, growth, innovation, diversity and teamwork, excellence and passion) has helped us to strengthen our future growth platforms.**

Within the financial services industry, Non-Banking Financial Companies (NBFCs) mainly cater to those categories of borrowers who are generally excluded from the formal banking sector. India's NBFC sector witnessed phenomenal growth in the last ten years, with the average CAGR remaining at 22% between March 2006 and March 2013 (Source: RBI, January 2014 Report).

For Ashika, 2014 gave us an opportunity to prove our mettle. Despite operating in a challenging environment, we were able to record significant progress within the course of our business. Our prudent provisioning during the year 2013-14 was on account of non-performing assets to the tune of ₹ 201.53 lacs, which impacted the profitability of the Company. We reported a net loss of ₹ 180.54 lacs compared to ₹ 256.65 lacs in the last fiscal year. However, adjusted for the same, we were able to report a cash profit for the year 2013-14. At the same time, we are confident of recovering the amount in the current fiscal year by undertaking a series of focused strategic initiatives.

Our consistent focus on our seven business ethos (trust and relationships, transparency, compliance, growth, innovation, diversity and teamwork, excellence and passion) has helped us to strengthen our future growth platforms. This, coupled with our industry expertise and financial knowledge, will translate into robust results in the coming years. At ACCL, our simple strategy of risk diversification has led us to develop a proper and functional risk management system. This, in turn, helps us to capitalise on existing opportunities and expand our overall reach.

Despite all odds, we are confident of maintaining our established position and plan to further increase the number of inter-corporate deposits in the coming years. Besides, we will also increasingly focus on retail financing with the twin objectives of portfolio growth and risk diversification. We intend to minimise risks by focusing on multiple corporate clients that have a decent financial history. This would reduce the risk exposure and lower the NPA burden, along with protecting our asset quality.

The Board joins me in expressing their heartfelt appreciation to all our employees, the entire management team and all our partners for their unparalleled commitment and dedication during the year under review. I would also like to take this opportunity to place on record our deep sense of gratitude to you, our shareholders, for your extended support and cooperation in these good as well as challenging times.

With best wishes,

**Pawan Jain**  
*Chairman and Managing Director*

## Putting strategies into high gear **BY FOCUSING ON OPPORTUNITIES**

Sometimes, confidence is all that matters. While FY 2013-14 witnessed continued economic uncertainties over the Indian economy, the election of a stable government at the Centre is expected to bring about sustained fiscal consolidation, leading to an upliftment of growth prospects.

At Ashika, we were no exception as the situation dented the market confidence. Our business as a NBFC had to cope with the challenges posed by lower economic activity and muted corporate sentiment. The Industry as a whole witnessed lower growth in disbursements and burdened with higher NPAs. Our profitability was also impacted due to provisioning on account of NPAs. However, with adequate risk mitigation measures in place and improvement in economic sentiment, we expect higher margins from corporate financing as well as lower provisions and lower NPAs, thus transforming into higher profitability.



**₹ 46.62 lacs**  
EBIDTA for 2013-14



**77.31 %** Collection  
efficiency in 2013-14

## Putting strategies into high gear

# BY EXPANDING OUR REACH

Our deep industry insight and operational expertise enables us to design customised financial products for discerning customers. We have already implemented this based on a high-ticket size model for a few customers, and feel that this can be taken to a whole new level altogether. At Ashika, we shifted our focus on identifying pockets of opportunities across our network of operations. We redefined our model to focus on serving clients in need of small ticket-size loans rather than those requiring larger ticket-size loan amounts.

This is expected to benefit the Company in a number of ways. One, it would protect our margins and de-risk us from larger NPAs. Two, it would broaden our customer portfolio, widening our revenue basket in the coming years. We are confident that with this strategy we shall demonstrate our capabilities to strengthen our loan book, and create more value for our stakeholders.



**6**  
Number of people as on  
31st March, 2014



**₹ 2,206.69 lacs**  
Loan book size as on  
31st March, 2014



**₹ 806.14 lacs**  
Delinquency levels as on  
31st March, 2014

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Sri Pawan Jain**

Chairman cum Managing Director & CEO

**Sri Kashi Prasad Khandelwal**

Independent Director

**Sri Ashok Kumar Agarwal**

Independent Director

**Sri Sagar Jain**

Independent Director

**Sri Radhey Shyam Agarwal**

Independent Director

**Sri Keshav Kumar Saraf**

Non-Executive Director

## CHIEF FINANCIAL OFFICER

**Mr. Amit Jain**

## COMPANY SECRETARY & COMPLIANCE OFFICER

**Ms. Anju Mundhra**

## AUDITORS

P.K. Sah & Associates  
Chartered Accountants  
58/D, Netaji Subhash Road,  
3rd Floor, Room No.316,  
Kolkata – 700 001

## PRINCIPAL BANKERS

HDFC Bank Ltd.

## REGISTERED OFFICE

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

## CIN NO.

L67120WB1994PLC062159

## REGISTRAR & SHARE TRANSFER AGENT

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

## AUDIT COMMITTEE

**Mr. Sagar Jain**, Chairman

**Mr. Kashi Prasad Khandelwal**

**Mr. Radhey Shyam Agarwal**

**Mr. Keshav Kumar Saraf**

## NOMINATION & REMUNERATION COMMITTEE

**Mr. Kashi Prasad Khandelwal**, Chairman

**Mr. Keshav Kumar Saraf**

**Mr. Sagar Jain**

**Mr. Ashok Kumar Agarwal**

**Mr. Radhey Shyam Agarwal**

## STAKEHOLDERS RELATIONSHIP COMMITTEE

**Mr. Ashok Kumar Agarwal**, Chairman

**Mr. Radhey Shyam Agarwal**

**Mr. Kashi Prasad Khandelwal**

## SHARE TRANSFER COMMITTEE

**Mr. Radhey Shyam Agarwal**, Chairman

**Mr. Sagar Jain**

**Mr. Keshav Kumar Saraf**

# DIRECTORS' REPORT

**Dear Shareholders,**

Your Directors have the pleasure to present their Twenty-first Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2014.

## FINANCIAL PERFORMANCE

Financial results for the year ended	Amount in ₹	
	As at March 31, 2014	As at March 31, 2013
Total Income	64,181,812	68,906,753
Total Expenses (including Depreciations etc )	60,993,095	104,941,007
Profit /(Loss) before provisions & tax	3,188,717	(36,034,254)
Provisions for NPA & Contingent Liability on Standard Assets	20,153,410	460,939
Profit/ (Loss) before tax	(16,964,693)	(36,495,193)
Less: Provision for taxation	-	-
Less: Deferred tax liabilities/ (Assets)	1,089,589	(10,858,297)
Less : Tax relating to earlier year	-	27,842
Profit /(Loss) for the year	(18,054,282)	(25,664,738)
Add: Balance as per last financial statements	(1,902,324)	23,762,414
Less: Transfer to statutory reserve U/s 45-IC of RBI Act 1934	-	-
Surplus/ (Deficit) in the statement of profit and loss	(19,956,606)	(1,902,324)

## INDUSTRY OUTLOOK

Global macroeconomic factors continue to pose a challenge particularly after the tapering of the US Federal Reserve QE starting Jan 2014 to the quantum of \$ 10 billion each month, While the recent crisis in Ukraine had some bearing on the emerging markets. However, Indian markets came out of it almost unscathed, as the Indian macros have improved considerably in FY14 from FY13, particularly on the external front. The imperativeness of non-banking financial companies (NBFCs) in financial industry has been increasing and it is steadily emerging as substantial contributor to India's economic growth replicating Banks' effort to underpin India's financial system. NBFCs offer wide array of financial products to their clients starting from retail asset retail asset-backed lending, lending against securities and micro-finance, Inter Corporate Deposits to individuals, corporate and financial institutions and commercial vehicles & infrastructure equipments financing. As per Industry estimates, during FY14, the AUM growth across NBFC space has been robust, ranging between 20-30% YoY. However, disbursement growth has witnessed moderation (8-10% in FY14 vs 19% in FY13 as per ICRA) across segments amid the sluggish capex growth, muted auto industry volume and weak macro sentiment. Retail lending during the year remained firm on the back of good monsoon last year, resulting in higher rural income. Infra financing hit major setback during the year owing to subdued demand from infra project loans for both new projects as well as existing projects. AUM growth took a toll on for Infra Financing companies and primarily driven by transitional financing,

refinancing opportunities and increasing loan tenure. The NBFCs have maintained stable asset quality due to strict guidelines of disbursing loan, albeit cyclical pressures have started to push up delinquencies. As per ICRA estimates, 90 days past due delinquencies on retail loans for NBFCs (the trigger for classifying an asset as a NPA at a bank) have moved up to 4.3% in December 2013 from the 3.5% in March 2013. However it is expected that the new addition of NPL (non performing loans) would slow down from 2HFY15 on the back of revival in industrial growth, investments and infrastructure projects. Moreover, NBFCs are now shifting their focus on asset quality and simultaneously improving recoveries and collection efficiency. The overall restructured advances of NBFCs are expected to be in the range of 1.25-1.50%, which can be compared with private sector banks. New Government in the central would provide next wave of growth impetus for NBFCs going forward.

## REVIEW OF FINANCIAL ASPECTS AND ACCOUNTING TREATMENT

During the year under review your Company has earned a total income of ₹ 64,181,812/- as compared to ₹ 68,906,753/- in its previous year. The major income relates to Interest Income. Your company has incurred loss in regard to sale of its long term non- current investment and trading in derivatives in shares due to uncertain state of the Indian markets.

The loss for the year under review after tax is ₹ 18,054,282/- which is mainly due to provision of ₹ 20,153,140/- as Non performing Asset pursuant to the provisions of applicable Non Banking Financial ( Non deposit accepting or Holding) Companies Prudential Norms Reserve Bank Direction 2007. The EPS of the Company stands to negative of ₹ 2.58 for the year ended on 31st March, 2014. The company is further planning to take more precautions & corrective measures to sustain from its losses .

Your company has complied with all the norms prescribed by the Reserve Bank of India (RBI) including the Fair practice Code, Anti Money Laundering & know Your Clients guidelines. The company has its sound and forward looking policy of providing for non performing assets in terms of management's best estimates as well as applicable norms.

The company has changed its Leave policy in regard to leave benefits to employees effective from 01.04.2014 and its has no material impact on profit & loss of the company.

## DIVIDEND

Your board of Directors placed that the company has incurred huge loss and so could not recommend any dividend for the year ended 31st March 2014.

## MAJOR HIGHLIGHTS DURING THE YEAR

- ✔ The shareholders of the company by Postal ballot has given the powers to Board to make loan, give guarantee, provide security in connection with any loan and acquire by way of subscription, purchase or otherwise the securities of any body corporate to the extent of ₹ 150 crores.
- ✔ Sale of Investment duly held by the company consisting 12,00,000 equity shares of Ashika Global Securities Pvt Ltd ( formerly known as Ashika Global Securities Ltd).
- ✔ Sale of Investment duly held by the company consisting 47,000 equity shares of Ashika Properties Pvt Ltd.

## CORPORATE GOVERNANCE

Pursuant to clause 49 of the Listing Agreement with the Stock Exchanges, a Management Discussion and Analysis Report, Corporate Governance Report and Auditor's Certificate regarding compliance of conditions of Corporate Governance constitute an integral part of the Annual Report.

## MATERIALS CHANGES AND COMMITMENTS

There have been no material changes and commitments affecting the financial position of the company, which have occurred since 31st March, 2014, being the end of the Financial Year of the Company.

The company has changed its leave policy w.e.f. 01.04.2014

## ADOPTION OF PROVISIONS OF COMPANIES ACT 2013

Pursuant to applicability of Companies Act 2013 w.e.f. 01.04.2014, the company is in process of amending & implementing the applicable provisions as per the structure & requirement of the company. The following changes has being duly executed pursuant to approval of Board after considering the clause 49 of Listing Agreement and amendments thereon :

- 1) The company has implemented the using of CIN number on all letter heads, notices, business letters, letter papers and official publications.

- 2) Changes in Terms of reference of Audit Committee
- 3) Changes in terms of reference of Stakeholder Relationship committee (previously known as Shareholder/Investor Grievance Committee).
- 4) Changes in terms of reference of Nomination & Remuneration committee (previously known as Remuneration Committee).
- 5) The Existing Managing Director, Chief Financial Officer and Company Secretary be designated and regarded as Key Managerial Personnel of the company.
- 6) Adoption of Vigil Mechanism /Whistle Blower Policy.
- 7) Maintenance of all statutory registers in Electronic form in revised format.
- 8) M/s. M. R. & Associates be appointed as Secretarial Auditor of the company for the F.Y. 2014-2015

## DIRECTORS

Pursuant to the provision of section 255 of the Companies Act, 1956 and pursuant to Article of Association of the Company, Mr. K. K. Saraf, Director of the Company are liable to retire by rotation in the ensuing Annual General Meeting of the Company and being eligible, offer himself for re-appointment.

Further Mr. K. K. Saraf, has being re-designated as non executive non independent director of the company w.e.f. 01.04.2014.

## DEPOSIT

The company is registered with Reserve Bank of India as non accepting public deposit NBFC. The Board of Directors has duly passed a resolution in their meeting giving effect to the aforesaid statement.

## AUDITOR 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 need no further clarification.

## AUDITORS

M/s P.K. Sah & Associates, Chartered Accountants, the retiring Auditor of the Company retires at the ensuing Annual General Meeting be and is hereby proposed to be re-appointed as Statutory Auditor of the Company for a term of three consecutive years from the conclusion of this Annual General Meeting to the conclusion of the twenty fourth Annual General Meeting. The Company has received a Certificate & consent from the Auditors that if re-appointed, they are qualified to act as the Auditors of the Company under Companies Act 2013. The statutory auditors have also confirmed that they hold a valid certificate issued by the "Peer Review Board" of The Institute of Chartered Accountants of India.

## STATUTORY DISCLOSURES

Your Directors have made necessary disclosures, as required under various provisions of the Act. The information required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975,

- ✔ The Company does not own any manufacturing unit and as such no particulars relating to 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.
- ✔ There was no foreign exchange earnings & outgoes during the period under review.
- ✔ The relations with the employees continued to be cordial during the financial year. 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 as amended and as such the required particulars under the same has not been furnished.

## 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 notified under companies Act 1956 read with General Circular no 15/2013 dated 13.09.2013, issued by MCA, in respect of section 133 of Companies Act 2013 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 judgements that are reasonable so as to give a 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 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 Accounts on a going concern basis.

## ACKNOWLEDGEMENTS

Lastly your Directors acknowledge the management team and executive staff who are instrumental to the growth of the Company. They also express their deep admiration and gratitude for the support and co-operation extended by the clients, bankers, investors, shareholders, and the media for their unwavering support through the years. Your Directors also wish to thank the employees at all levels, who through their sheer commitment, sense of involvement, utmost dedication and continued perseverance enabled the Company to achieve the overall development, growth and prosperity.

For and on behalf of the Board of Directors

Place: Kolkata

Date: 28th April, 2014

**(Pawan Jain)**

Chairman

# CORPORATE GOVERNANCE REPORT

(Forming part of the Director Report for the year ended 31<sup>st</sup> March, 2014)

## A) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

ACCL believes that good Corporate Governance is essential to achieve long-term corporate goals and enhance stakeholders' value. Thus ACCL philosophy on corporate governance is based on integrity, emphasis on quality services and transparency in its dealing with all stakeholders.

ACCL being a value driven organisation, has always worked towards building trust with shareholders, employees, customers and suppliers based on principles of good governance namely, integrity, transparency, accountability and commitment to values

Ashika Credit Capital Limited continues to focus its strength, strategies and resources to become a truly global financial service provider.

Given below are the Company's Corporate Governance policies and practices for 2013-2014 as will be seen, ACCL corporate governance practices and disclosures go beyond complying with the statutory and regulatory requirements.

## B) BOARD OF DIRECTORS

In order to maintain independence of the board, the company has a balanced combination of Executive, Non Executive and Independent Directors, which is essential to separate the two main Board functions namely governance and management.

### Composition

The Article of Association of the company provide for a minimum of 3 and a maximum of 12 directors.

As on 31<sup>st</sup> March, 2014, the board of Ashika Credit Capital Limited consisted of 6 (six) directors. The composition of the board of directors is as under: -

Name	Designation	Category	Number of Directorship held in other companies*	Number of Membership / Chairmanship in various Board Committees ** (other than ACCL)
Mr. Pawan Jain	Chairman cum Managing Director, CEO	Promoter, Executive Director	1	-
Mr. Kashi Prasad Khandelwal	Director	Non-Executive, Independent Director	2	3
Mr. Ashok Kr. Agarwal	Director	Non-Executive, Independent Director	1	-
Mr. Sagar Jain	Director	Non-Executive, Independent Director	1	-
Mr. Radhey Shyam Agarwal	Director	Non-Executive, Independent Director	-	-
Mr. Keshav Kumar Saraf***	Director	Non-Executive Director	2	-

\* Directorships on all public limited companies, whether listed or not, have been included and all other companies including private limited companies, foreign companies and companies under section 25 of the companies act has been excluded.

\*\* Chairmanship/membership of the audit committee and the shareholders’ grievance committee has been considered.

\*\*\* Mr. K. K. Saraf has being designated as Non Executive and Non Independent Director w.e.f. 1<sup>st</sup> April 2014 & accordingly the designation of Mr. Saraf has being revised in all the committees in which he held membership.

**Board Meeting and Attendance**

During the year 2013-2014, the board of directors met four times on the following dates: 24<sup>th</sup> April 2013, 26<sup>th</sup> July 2013, 26<sup>th</sup> October 2013, and 14<sup>th</sup> January 2014. The gaps between any two meetings has been less than or equal to four months. The dates of the meeting were decided well in advance.

Composition of the board and attendance record of Directors for 2013-2014:

Name of Director	Meeting attended	Whether attended AGM held on 27th July, 2013
Mr. Pawan Jain	4	Yes
Mr. Kashi Prasad Khandelwal	4	Yes
Mr. Ashok Kr Agarwal	3	No
Mr. Sagar Jain	4	Yes
Mr. R. S. Agarwal	4	Yes
Mr. Keshav Kumar Saraf	4	Yes

**Board Agenda and Minutes**

The company holds at least four board meetings in a year, one in each quarter with the time gap between the two board meetings not exceeding four calendar months to review the financial results and other item of the agenda. Apart from the four scheduled board meetings, additional board meetings are also convened to address specific requirements of the company. Every Director on the board is free to suggest any item for inclusion in the agenda for the board’s consideration. All the departments in the Company communicate with the Company Secretary well in advance about matters requiring approval of the board/committees meeting(s).

Agenda papers are generally circulated to the board members well in advance before the meeting of the board. The Company Secretary, while preparing the agenda and minutes of the board meeting required to ensure adherence to the applicable provisions of the law including the Companies Act, 1956. The draft minutes of the proceedings of each board meeting duly initialed by the board in its next meeting. The board also takes note of the minutes of the committee meeting duly approved by their respective Chairman.

**Review of Legal Compliance Report**

The Board reviewed the Reconciliation of Share Capital Audit Report and Compliance Report on a quarterly basis which, was prepared and placed by Whole time Company Secretary in Practice and in-house Company Secretary with respect of the laws applicable for the Company.

**C) CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL**

The company has already adopted a code of conduct, which was made applicable to all its Directors 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 hereunder. The code has been posted on the website of the Company.

**TO WHOMSOEVER IT MAY CONCERN**

I, Pawan Jain, the Managing Director and CEO of the Company, do hereby declare that all Board members and Senior Management Personnel of the Company have affirmed their compliance with the Code of Conduct framed for Director & Senior Management personnel’s in respect of F.Y. 2013-14.

**Pawan Jain**  
(Chief Executive Officer)

## D) AUDIT COMMITTEE

The terms of reference of the Audit Committee are in accordance with those specified in Clause 49 of the Listing Agreement and amendments thereof and as per applicability of section 177 of Companies Act 2013. It inter alia includes the overview of the company's financial reporting processes, review of the quarterly, half yearly and annual financial statements, the adequacy of internal control systems, performance of statutory auditor, internal audit functions, the financial and risk management policies, appointment of Chief Financial Officer among others. The board in its meeting held on 28.04.2014 has revised the terms of reference of Audit committee.

The terms of reference of the Audit Committee are broadly as under:

- 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.
- The recommendation to board for appointment, re-appointment, remuneration, terms of appointment of Auditor and if required the replacement or removal of Auditors of the company .
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors
- Reviewing and monitor the auditor's independence and performance, and effectiveness of audit process, .
- Reviewing with management , performance of Statutory & Internal Auditor, adequacy of Internal Control System, scope of audit and note the observation of Auditors.
- Examination & review of the Annual financial statement, auditors' report with management before submission to board with particular reference to :
  - Matters required being included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (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 adjustments made in the financial statements arising out of audit findings.
- Compliance with listing and other legal requirements relating to financial statements.
- Disclosure of any related party transactions
- Qualifications in the draft audit report.
- Approval or any subsequent modification of transactions of the company with related parties;
- Reviewing with management quarterly, half yearly financial statement before submission to board for approval;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing with the management , the statement of uses /application of funds raised through an issue ( public issue, right issue, preferential issue etc) & other related matter, the statements of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Discussion with Statutory Auditor before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- The review the functioning of Vigil Mechanism / Whistle Blower Policy adopted for Directors & employees of the company to report their genuine concerns and shall have direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.
- Scrutiny of Inter corporate Loans & Investments.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

- ✔ Discussion with internal auditors any significant findings and follow up there on.
- ✔ Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- ✔ To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- ✔ Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- ✔ Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**Composition, Meetings and Attendance for Audit Committee of the Company**

The Audit Committee comprises of four members. The committee has met four times during the year and attendance of the members at these meetings was as follow:

Name of Director	Status	Meetings Attended			
		26/04/2013	26/07/2013	26/10/2013	14/01/2014
Mr. Sagar Jain	Chairman, Non- Executive and Independent Director	Yes	Yes	Yes	Yes
Mr. K. P. Khandelwal	Non-Executive and Independent Director	Yes	Yes	Yes	Yes
Mr. K. K. Saraf	Non-Executive Director	Yes	Yes	Yes	Yes
Mr. R. S. Agarwal	Non-Executive and Independent Director	Yes	Yes	Yes	Yes

\* The committee was reconstituted w.e.f. 1st May, 2013.

**Whistle Blower Policy/Vigil Mechanism**

The Board and Audit committee in their meeting held on 28.04.2014 has duly established, reviewed & approved a mechanism for employees & directors to report concerns about unethical behaviour, actual or suspected fraud, or violation of our code of conduct or ethics policy. It also provides for adequate safeguards against victimisation of employees & directors who avail of the mechanism, and also allows direct access to the Chairperson of the audit committee in exceptional cases.

board meeting held on 28.04.2014. The said Nomination & Remuneration committee comprises of five Non-Executive Directors as mentioned below. During the year under review the committee met only once on 26th April 2013.

**E) NOMINATION & REMUNERATION COMMITTEE**

Pursuant to provisions of section 178 of Companies Act 2013 and applicability of clause of Listing Agreement and amendments thereupon the existing Remuneration Committee of the company be renamed as Nomination & Remuneration Committee and accordingly has revised the terms of reference of the said committee in the

Name of Director	Status	Meeting Attendance
		26.04.2013
Mr. K. P. Khandelwal	Chairman, Non- Executive and Independent Director	Yes
Mr. Sagar Jain	Non-Executive and Independent Director	Yes
Mr. K. K. Saraf	Non-Executive Director	Yes
Mr. Radhey Shayam Agarwal	Non-Executive and Independent Director	Yes
Mr. Ashok Kr Agarwal	Non-Executive and Independent Director	Yes

The board term of reference of Nomination and Remuneration committee are as under :

- ✔ Determining/formulation the criteria for qualifications, positive attributes and independence of Directors and recommend to board a policy on remuneration for Directors, Key Managerial Personnel and other employees;
- ✔ Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the Criteria laid down and recommend to the Board their appointment and removal;
- ✔ Formulation of the criteria for performance evaluation of Independent Directors and the Board.
- ✔ Devising a policy on Board Diversity
- ✔ Such other matters as the Board may from time to time request the committee to examine and recommend /approve."

### Remuneration Policy

The company's remuneration policy is based on the principles of (i) pay for responsibility (ii) pay for performance and potential and (iii) pay for growth. The remuneration policy of the company is directed towards rewarding performance, based on review of achievements on a periodical basis. The Company's remuneration policy is driven by the success and performance of the individual employee and the Company. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process. Annual increments are decided & recommended

by the Remuneration Committee within the salary scale and are effective April 1, each year or as decided upon.

Keeping in view the above, the remuneration committee is vested with all the necessary powers and authorities to ensure appropriate disclosure on remuneration to the Managing Director, Executive Directors, including details of fixed components and performance-linked incentives, if any. The appointment of the Executive Directors is by virtue of their employment with the Company as management employees and therefore their terms of employment viz. salary, perquisites, allowances, variable pay, service contract, notice period and severance fee, if any, are governed by the applicable policies at the relevant point in time. Salary paid to Managing Director is as recommended by Remuneration Committee, duly approved by Board and within the range approved by Shareholders. As for the non-executive directors, their appointment on the board is for the benefit of the company due to their vast professional expertise in their individual capacity. The company suitably remunerates them by paying sitting fee for attending the meetings of the board and no sitting fees is paid for attending the various sub-committees of the board. The company pays ₹ 5000/- as sitting fess to each of the Non Executive Directors for attending each Board meeting of the company. The Company also reimburses the out-of-pocket expenses, if any incurred by the Directors for attending the meetings. There are no stock option benefits to any of the directors. During the year, there were no pecuniary relationships or transactions between the Company and any of its Non-Executive Directors apart from sitting fees.

Details of remuneration paid to all the Directors and Managerial Personnel for the financial year 2013-2014 are as follow;

Non Executive Directors :

Name of Directors	Designation	Amount in ₹		
		Number of Equity shares of the company held (31.03.2014)	Salary (per annum)	Sitting Fees for attending Board Meeting
Mr. K. P. Khandelwal	Non - Executive Independent Director	-	-	20,000
Mr. Ashok Kr Agarwal	Non - Executive Independent Director	-	-	15,000
Mr. R. S. Agarwal	Non - Executive Independent Director	-	-	20,000
Mr. Sagar Jain	Non - Executive Independent Director	-	-	20,000
Mr. K. K. Saraf	Non - Executive Director	-	-	20,000
Mr. Daulat Jain *	Non – Executive Director	-	-	5,000

\* Mr. Daulat Jain has resigned from the post of Directorship of the company w.e.f. 01.05.2013

Executive Directors :

				Amount in ₹
Name of Directors	Salary	Perquisites & Allowances	Number of Equity shares of the company held (31.03.2014)	Sitting Fees for attending Board Meeting
Mr. Pawan Jain (Managing Director and CEO)	15,00,000	Nil	789000 in capacity as Karta of Pawan Jain (HUF)	-

Commission paid :	Nil
Stock Option :	Nil
Service Contract of MD :	01/12/2012 to 30/11/2015
Severance Fees :	No Separate provisions for such payment

#### F) STAKEHOLDER RELATIONSHIP COMMITTEE

The Company has revised the terms of reference of existing Investor'/Shareholders' Grievance Committee and renamed its as Stakeholder Relationship Committee in its Board meeting held on 28.04.2014 pursuant to provisions of sec 178(5) of Companies Act 2013 and clauses of Listing Agreement and amendments thereupon.. The committee shall be guided under Chairmanship of Mr. Ashok Agarwal, an Independent Director. Mr. R. S. Agarwal and Mr. Kashi Prasad Khandelwal are the other members of the Committee. The meetings of the committee are held to consider and resolve the grievances of Security Holders of the company . The Committee met as and when required during the year. The review of activities of Share Transfer Agent is undertaken quarterly by the Company Secretary. There has been no grievance received by the Company during the period 1st April, 2013 to 31st March, 2014.

#### Compliance Officer

Ms. Anju Mundhra – Company Secretary is Compliance Officer of the Company.

#### Role and Objectives

The role and objectives of the Committee are as under:

- Consider & Resolve the Grievances of Security holders including complaints related to transfer of shares, non receipt of balance sheet, non receipt of declared dividends

#### G) SHARE TRANSFER COMMITTEE

The Share Transfer Committee of the Company is formulated under the Chairmanship of, Mr. R. S. Agarwal, Mr. Sagar Jain and Mr. K. K. Saraf as members of the Company. During the year under review the committee met on 27/09/2013, 03/10/2013, 10/10/2013 and 26/11/2013. The Secretary of the company is acting as Secretary of the Committee.

#### Role & Objectives

- Approve the transfer of physical share certificates of the Company as and when required in accordance with the provisions of the Companies Act, 1956.
- Issue the duplicate share certificates to the shareholders as and when required.
- Keep record of the physical share certificates kept with RTA.
- Take note of the dematerialisation of shares of the Company.
- Issue the share certificates on dematerialisation.
- Sign the share certificates.
- Report regularly to the Board of Directors on the committee's deliberation and actions.

The Board of Directors has authorised the Secretary to approve the transfer/transmission/ dematerialisation of shares which are properly processed and related formalities are done by the Registrar and Share Transfer Agent.

## H) GENERAL BODY MEETINGS

The general meetings of the Company were held as per details given below:

Year	Date	Venue	Time	Number of Special resolutions passed
2012 – 13 (EGM)	9th September, 2013	" TRINITY ", 226/1 A.J.C. Bose Road, 7th Floor Kolkata-700020	11.30 A.M.	1 ( Postal Ballot )
2012-13	26th July,2013	" TRINITY ", 226/1 A.J.C. Bose Road, 7th Floor Kolkata-700020	10.00 A.M.	Nil
2011 - 12	27th July, 2012	" TRINITY ", 226/1 A.J.C. Bose Road, 7th Floor Kolkata-700020	10.00 A.M.	Nil
2010-11	30th June, 2011	" TRINITY ", 226/1 A.J.C. Bose Road, 7th Floor Kolkata-700020	4.00 P.M.	Nil

No Special Resolution was passed in any of the aforesaid Annual General Meeting. There were no matters required to be dealt/passed by the company through postal ballot, in any of the aforesaid Annual General meetings, as required under the provisions of section 192A of the companies act, 1956.

A special resolution via postal ballot was duly passed by the members at the Extra Ordinary General meeting and approved on 9th September 2013. The postal ballot was duly conducted under the supervision of Mohan Ram Goenka, PCS.

Particular	No of Ballot forms	No of equity shares of ₹ 10/- each (Votes)	% of valid vote received
Total Postal Ballots/Votes Received	45	39,07,643	-
Total Invalid Postal Ballot/Votes received	1	1	0.00
Total valid Postal Ballots/votes received	44	39,07,642	100.00
Assented to Resolutions (For)	44	39,07,642	100.00
Dissented to Resolutions (Against)	0	0	0

There is no matter proposed to be dealt/passed by the company through postal ballot in the ensuing annual general meeting.

## I) DISCLOSURES

- ✔ A statement in summary form of transactions with related party in ordinary course of business is placed annually before the Audit Committee. The pricing of all the transactions with related party transactions were on arm length basis. There are no materially significant transactions made by the Company with its related party which are at potential conflict with the interest of the company at large.
- ✔ No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital market for non- compliance by the company during the last three years.

- ✔ Business risk evaluation and management is an ongoing process within the company. The company has been addressing various risks impacting the company and the policy of the company on risk management is provided elsewhere in this annual report in Management Discussion and Analysis.
- ✔ The Company has framed the Whistle Blower Policy/Vigil Mechanism for Directors and employees of the company and the same has being hoisted on the website of the company.
- ✔ Chief Executive Officer (CEO) and Chief Financial Officer (CFO) certification, on financial statements has been issued pursuant to the provisions of clause 49 of Listing Agreement and is annexed to the Corporate Governance and forms part of Annual Reports
- ✔ The company has complied with the mandatory requirements as stipulated in clause 49 of the Listing Agreements with the Stock Exchanges.

- The Company has fulfilled the following non-mandatory requirements as prescribed in Annexure 1D to Clause 49 of the Listing Agreement with the Stock Exchanges:
  - The Company has set up a Remuneration Committee and renamed it as Nomination & Remuneration Committee, details of which has been given earlier in the report.
  - The statutory financial statements of the company are unqualified.

### Reconciliation of Share Capital Audit

- Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates, on half-yearly basis, have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company.
- A Company Secretary-in-Practice carried out a Reconciliation of Share Capital Audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

## J) MEANS OF COMMUNICATION

The quarterly, half yearly and Annual Financial Results of the company are published in the newspaper in India which includes Business Standards (English) – All India Edition and in Arthik Lipi, vernacular newspaper (Bengali) and posted on the website of the company [www.ashikagroup.com](http://www.ashikagroup.com). The quarterly, half yearly and annual Financial Results are submitted with Stock Exchanges in accordance with the Listing Agreement.

The Annual Report containing inter-alia, Audited Annual Accounts, Directors' Report, Auditors' Report and other important information is circulated to the members and others entitled thereto. Management Discussion and Analysis forms part of annual report, which is posted to the shareholders of the company. The Annual Report is also available on the Company's website in a freely downloadable format

## K) COMPLIANCE CERTIFICATE OF THE STATUTORY AUDITOR

The Company has obtained a certificate from the Statutory Auditor regarding compliance of conditions of Corporate Governance as stipulated in clause in Clause 49 of the Listing Agreement. The Certificate is annexed.

## L) GENERAL SHAREHOLDER INFORMATION'S

1. **Registered & Corporate Office :** "Trinity", 226/1, A.J.C. Bose Road, 7<sup>th</sup> floor, Kolkata – 700 020.
2. **Branch Office :** 7 B. B. Ganguly Street, 4th Floor, Kolkata - 700012
3. **Date of Incorporation :** 8th March, 1994
4. **Registration No. / CIN :** L67120WB1994PLC062159
5. **Email id for Investor Grievances :** [investorservices@ashikagroup.com](mailto:investorservices@ashikagroup.com)
6. **Date, Time and venue of 21st AGM :** 2nd day of September, 2014  
Trinity, 226/1, A.J.C. Bose Road, Kolkata - 700020 at.11.30 A.M.

As required under Clause 49 IV(G)(i), particulars of Directors seeking appointment /reappointment are given in the Explanatory Statements to the Notice of the ensuing Annual General Meeting.

7. **Date of Book Closure :** 27th August, 2014 to 2nd September, 2014 (Both Inclusive)
8. **Dividend Payout :** Nil
9. **Financial Year :** 1st April, 2013-31st March, 2014
10. **Listing Payment :** The Annual Listing fees has been paid and there is no outstanding payment towards the stock exchanges as on date.
11. **Listed & Traded on Stock Exchange :** The Company's Equity Shares are listed with The Calcutta Stock Exchange Limited and traded at nationwide platform of BSE Ltd under "Permitted Securities Category".
12. **Scrip ID :** ASHIKACR
13. **Scrip Code :** 11591 and 10011591 (CSE), 590122 (BSE)

**14. Registrar and Share Transfer Agent :**

Maheshwari Datamatics  
Private Ltd (MDPL)  
6, Mangoe Lane, 2<sup>nd</sup>Floor,  
Kolkata – 700001.  
Telephone: 91-3322482248,  
91-33-22435029/ 5809  
Fax no: 91-33-2248 4787  
Email:mdpldc@yahoo.com.

**15. Share Transfer system :**

Approx 97 % of the equity shares of the Company are in electronic form. Transfer of these shares is done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form the transfer documents can be lodged with MDPL at any of the above mentioned addresses.

Transfer of shares in physical form is normally processed within ten to twelve days from the date of receipt, if the documents are complete in all respects. Some Directors and Company Secretary, under the authority of the Board, approves transfers in the share transfer committee , which are noted at subsequent board meetings

**16. Stock Market Data :**

Month	High		Low	
	BSE	CSE	BSE	CSE
April, 2013	77.90	-	52.80	-
May, 2013	81.65	-	60.10	-
June, 2013	66.10	-	52.90	-
July, 2013	95.50	-	55.55	-
August, 2013	100.50	-	80.35	-
September, 2013	144.30	-	88.00	-
October, 2013	186.50	-	140.00	-
November, 2013	246.00	-	181.20	-
December, 2013	255.00	-	214.85	-
January, 2014	204.15	-	119.60	-
February, 2014	117.65	-	98.05	-
March, 2014	104.50	-	65.00	-

**17. Dematerialisation of Shares and Liquidity :** The Company's shares are available for trading in the depository system of both NSDL and CDSL.

**18. Outstanding GDR/Warrants :** None

**19. Distribution of Shareholding as at 31st March, 2014 :**

Slab of shareholding	Number of Shareholders	%	Number of Shares	%
1-500	545	75.3804	20310	0.2904
501-1000	23	3.1812	19322	0.2762
1001-2000	28	3.8727	51675	0.7387
2001-3000	7	.9682	18800	0.2688
3001-4000	10	1.3831	38231	0.5465
4001-5000	11	1.5214	53616	0.7665
5001-10000	22	3.0429	187850	2.6856
10001 and above	77	10.6501	6605022	94.4273
<b>Total</b>	<b>723</b>	<b>100</b>	<b>6994826</b>	<b>100</b>

**20. Shareholding Pattern as on 31st March, 2014 :**

Shareholding Pattern	Number of Shares	% of Shareholding
Indian Promoters and their Associates	1855900	26.5325
Mutual Funds and UTI	-	-
Banks, Financial Institutions, Insurance Companies (Central and State Government Institutions/ Non-Government Institutions)	-	-
Other Corporate Bodies	4319024	61.7460
Resident Individuals (Public)	545993	7.8056
Any Other	273909	3.9159
<b>Grand Total</b>	<b>6994826</b>	<b>100</b>

**21. Plant Location :** None**22. Addresses for Correspondence :****Company Address:****Secretarial Department**

Ms. Anju Mundhra  
 Company Secretary & Compliance Officer  
 "Trinity", 7th floor, 226/1, A.J.C. Bose Road, Kolkata – 700 020.  
 Tel No. (033) 40102500  
 Fax No. (033) 2289-1555  
 Email : anjulohia@ashikagroup.com

**Registrar and Share Transfer Agent:****Maheshwari Datamatics Private Limited**

6, Mangoe Lane, 2nd Floor,  
 Kolkata – 700001  
 Tel no: 91-33-2243 5029/5809, 2248 2248  
 Fax no: 91-33-2248 4787  
 Email: mdpldc@yahoo.com

Place: Kolkata  
 Date: 28.04.2014

For Ashika Credit Capital Limited  
 (Pawan Jain)  
 Chairman Cum Managing Director

## CEO AND CFO CERTIFICATION

We, Pawan Jain, Chief Executive Officer, (Chairman Cum Managing Director) and Amit Jain, Chief Financial Officer, to the best of our knowledge and belief certify that:

1. We have reviewed the Balance sheet as at 31st March, 2014 and Statement of Profit and Loss Account for the year ended 31st March 2014, 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 notified under companies Act 1956 read with General Circular no 15/2013 dated 13.09.2013, issued by MCA, in respect of section 133 of Companies Act 2013,
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;
  - ✓ Evaluated the effectiveness of the company's disclosure, controls and procedures over financial reporting and
  - ✓ 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;
  - ✓ 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;
  - ✓ Significant Changes in internal controls during the period covered by this report, if any;
  - ✓ All significant changes in Accounting Policies during the year, if any, and the same have been disclosed in the notes to the financial statements;
  - ✓ 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).

Date: 28.04.2014

\_\_\_\_\_  
PAWAN JAIN  
Chief Executive Officer

\_\_\_\_\_  
AMIT JAIN  
Chief Financial Officer

# AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members,

## Ashika Credit Capital Limited

We have examined the compliance of conditions of Corporate Governance by Ashika Credit Capital Limited (the 'Company') for the year ended on 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Agreement.

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, P.K. Sah & Associates  
Chartered Accountants  
Firm Registration No. 322271E

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

Partner

Membership No. 056216

Place: Kolkata

Date : 28th April, 2014

# MANAGEMENT DISCUSSION AND ANALYSIS

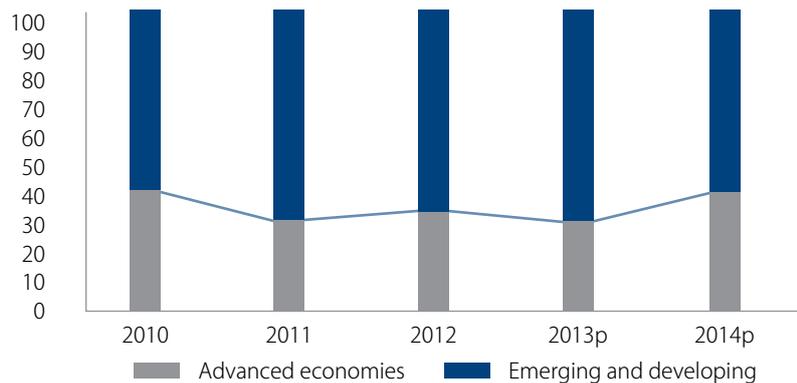
## GLOBAL ECONOMY- OVERVIEW

Global growth is projected to strengthen from 3% in 2013 to 3.7 % in 2014 and 3.9% in 2015. Advanced economies are projected to grow by 2.2% in 2014, while emerging economies are expected to grow by 5.1%.

The basic reason behind the stronger recovery is that the brakes to the recovery are progressively being loosened. The drag from fiscal consolidation is diminishing, the financial system is gradually healing, and uncertainty in various dimensions, is decreasing. *(Source: IMF Report 2014)*

**Advanced economies are projected to contribute the most to global GDP growth since 2010 with the US, the Eurozone and Japanese economies growing simultaneously**

### Contribution to global GDP growth at market exchange rates



*Source: PWC Analysis Report, IMF, January 2014)*

## INDIAN ECONOMY-OVERVIEW

According to Central Statistics Office (CSO), growth is projected at 4.9% for fiscal year 2013-14 and as per IMF; the growth could pick up to 5.4% in 2014-15 given stronger global growth, improving export competitiveness and a confidence boost from recent policy actions, which would be considered modest growth rebound.

### GDP Growth

2009-10	2010-11	2011-12	2012-13	2013-14
8.6%	8.9%	6.7%	4.5%	4.9%

*(Source: Central Statistics Office)*

## NON-BANKING FINANCE COMPANIES (NBFC) - OVERVIEW

NBFC's historically are involved in providing financial services such as offering of small ticket personal loans, financing of two/three wheelers, truck financing, farm equipment financing, loans for purchase of used commercial vehicles/ machinery, secured/unsecured working capital financial services among others. Further, NBFCs also often take lead role in providing innovative financial services to Micro, Small, and Medium Enterprises (MSME) most suitable to their business requirements.

During FY 2014, the Assets under management growth across NBFC space have been robust, ranging between 20-30% y-o-y. However, disbursement growth has witnessed moderation (8-10% in FY 2014 vs. 19% in FY 2013) across segments amid the sluggish capex growth, muted auto industry volume and weak macro sentiment. Retail lending during the year remained firm on the back of good monsoon last year, resulting in higher rural income.

As estimated by ICRA, 90 days past due delinquencies on retail loans for NBFCs (the trigger for classifying an asset as a NPA at a bank) have moved up to 4.3% in December 2013 from 3.5% in March 2013.

New Government in the central would provide next wave of growth impetus for NBFCs going forward.

(Source: RBI, January 2014)

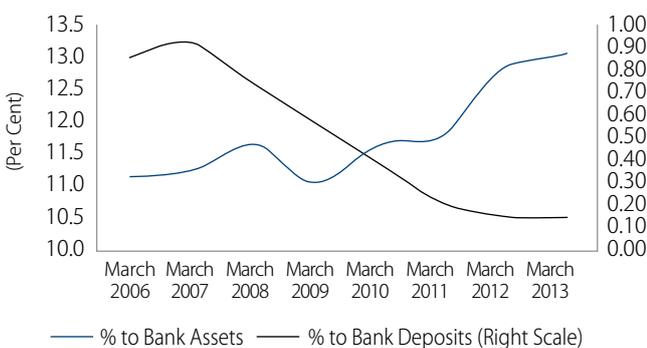
**SIZE OF THE SECTOR**

The share of NBFCs' assets in GDP (at current market prices) increased steadily from just 8.4 % as on March 31, 2006 to 12.5 % as on March 31, 2013; while the share of bank assets increased from 75.4 % to 95.5 % during the same period. In fact, if the assets of all the NBFCs below ₹ 100 crore are reckoned, the share of NBFCs' assets to GDP would increase further. (Source: RBI, January 2014)

In India, SMEs have made significant contribution to the economy:

- ✔ Approximately 40% of the country's domestic production
- ✔ Almost 50% of India's total exports
- ✔ 45% of India's industrial employment
- ✔ 35-40% to the GDP and account for more than 90% of all industrial enterprises in India. (Source: RBI, January 2014)

**Chart 2: Size of NBFC Sector**



(Source: Reports on Trend and Progress of Banking in India)

**KEY DEVELOPMENTS SEEN IN THE NBFC SECTOR**

- ✔ With rising NPAs, RBI on March 21, 2014 issued a Framework for Revitalising Distressed Assets in the Economy which came into effect from April 1, 2014 under which banks & NBFCs need to recognise early signs of distress, and accordingly prepare the restructuring process by taking quicker distress resolution planning, leverage buyouts, take-out financing, among others.
- ✔ Norms released for NBFC by RBI on February, 2014- MFIs titled 'Non-Banking Financial Company- Micro Finance Institutions' (NBFC-MFIs) - Directions- Modifications in "Pricing of Credit". As per the revised notification, MFIs can charge interest rates of the five largest commercial banks by assets multiplied by 2.75, whichever is lower.
- ✔ RBI in January, 2014 gave more flexibility to NBFCs to deal with their stressed loans but make it mandatory for them to set aside a substantial amount of provisions that shall go up to 5% in a phased manner by March 2017. The recommendations are on line Mahapatra committee report.
- ✔ The RBI in 2013, relaxed norms for non-banking finance companies (NBFCs) in insurance joint ventures by allowing them to hold more than 50% in such companies.

**RISKS AND MITIGATION**

Ashika Credit Capital Limited (ACCL) is prone to risks that are particular to its environment within which it operates, including market risks, credit risk, operational risks, human resource risks, Interest risk, liquidity risks and economic risks. Apart from these, unforeseen natural disasters and geo-political problems may also have an adverse impact. The management at ACCL ensures that risks are kept under control to develop a sustainable business model that is capable of maximising stakeholder's returns.

**INTERNAL CONTROL SYSTEMS**

A Company's success and growth mainly relies on maintaining absolute transparency in operations and initiation of proper systems and control. At Ashika an effective internal control system means - reliability of financial reports, its operations effectiveness and efficiency, its activities complying with applicable laws and regulations. At Ashika, our audit committee looks into the adequacy of the internal control systems and follow-up actions that has to be implemented depending on the urgency.

## FINANCIAL PERFORMANCE

The company has marked a total income of ₹ 64,181,812/ for the year under review. Due to volatility in the market and unpredicted scenario, your company has incurred loss in regard to trading in derivatives in shares.

It has shown negative figures in its financial, which is mainly due to provisioning of ₹ 20,153,140/- as Non performing Asset pursuant to the provisions of applicable Non Banking Financial ( Non deposit accepting or Holding) Companies Prudential Norms Reserve Bank Direction 2007. The company shall surely sustain from its losses .

## GOING FORWARD

Keeping in mind in putting strategies into high gear, Ashika continues to be dedicated in honing its management practices and intends to stay enthusiastic to perform well in the coming years.

## HUMAN RESOURCE MANAGEMENT- AT ASHIKA

Human resource management is inherent in the process of management. HR plays a vital role for sustainable business at Ashika Credit Capital Limited.

The following initiative has kept Ashika get going:

- ✔ Looked into the needs of the business and management (rather than just serve the interests of employees);
- ✔ Linked human resource strategies / policies to the business goals and objectives;
- ✔ Found out ways for human resources to “add value” to a business;
- ✔ Helped employees to gain business commitment to achieve values, goals and objectives.

The purpose of these initiatives is to bring in dedication amongst employees, resulting in better work performance.

## CAUTIONARY STATEMENT

Statements in this report on management discussion and analysis, describing the Company’s objectives, estimates, expectations or predictions are all ‘forward-looking statements’ within the meaning of the applicable securities, laws and regulations. These statements are based on certain assumptions and expectations regarding future events. The Company assumes no responsibility whatsoever to publicly amend, modify or revise any ‘forward-looking statements’ on the basis of any subsequent information, developments and events.

# Independent Auditors' Report

## To the Members of Ashika Credit Capital Limited

### REPORT ON THE FINANCIAL STATEMENTS

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

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

### AUDITOR'S RESPONSIBILITY

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

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

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

### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the

information required by the Companies Act, 1956 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

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

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

For **P. K. SAH & ASSOCIATES**

Chartered Accountants

Firm Registration no. 322271E

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

Place : Kolkata

Partner

Dated : 28th April, 2014

Membership No. 056216

# Annexure to the Independent Auditors' Report

## REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF ASHIKA CREDIT CAPITAL LIMITED

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) As per the information and explanations given to us, the fixed assets of the Company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been found. In our opinion, the frequency of verification is reasonable.
- c) Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.
- (ii) Since the Company does not hold any physical inventories, sub clauses (a) to (c) of the clause (ii) of the said Order are not applicable.
- (iii) a) The Company has not granted loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under section 301 of the Act. Hence, sub clauses (b), (c) & (d) of the clause (iii) of the said Order are not applicable.
- b) The Company has taken unsecured loans from five companies covered in the Register maintained under section 301 of the Act. The maximum amount involved during the year is ₹ 603 Lacs. However entire loan has been repaid during the year. Other than the above, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the Register maintained under section 301 of the Act.
- c) In our opinion, the rate of interest and other terms and conditions on which the said loans have been taken by the Company, were are not, prima-facie, prejudicial to the interest of the Company.
- d) No specific terms for repayment of the above loans have been stipulated, but the same were stated to be repayable on demand by the Company.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of it's business with regard to sale of services. During the year, the company does not have purchase of inventory and fixed asset. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the internal control system of the Company.
- (v) a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under Section 301 of the Act, have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transaction made in pursuance of contracts and arrangements referred to in above and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are prima-facie, reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public within the meaning of the section 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposit accepted from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of it's business.
- (viii) Being a Non- Banking Financial Company, the provisions of clause (viii) of the said Order are not applicable to the Company.
- (ix) a) According to the records of the Company and explanations given to us, the Company is generally regular in depositing undisputed statutory dues payable in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess or any other material statutory dues, whatever applicable to it, with the appropriate authorities.
- There is no undisputed amount payable in respect of such statutory dues, were in arrears as at the Balance Sheet date for a period of more than six months from the date become payable.
- b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty or Cess, which have not been deposited as on 31st March, 2014 on account of any dispute.
- (x) The accumulated losses of the Company at the end of the financial year are less than fifty percentage of its net worth. The Company has not incurred cash losses in the current financial year but had incurred cash losses in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. During the year, the

Company has not borrowed from financial institutions or by issue of debentures.

- (xii) In our opinion and according to the information and explanations given to us, the Company has maintained adequate documents and records in cases where the Company has granted loans and advances on the basis of security by way of pledge of shares & securities.
- (xiii) Clause (xiii) of the Order is not applicable as the Company is not a chit fund or a nidhi / mutual benefit fund / society.
- (xiv) In respect of dealing in shares, securities and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities and other investments have been held by the Company in its own name, except to the extent of the exemption granted under Section 49 of the Act.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) In our opinion and according to the information and explanations given to us, the Company has neither obtained nor applied any term loans during the year.
- (xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised on short-term basis have not, prima – facie, been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained under Section 301 of the Act.

(xix) The Company has not issued any debentures during the year and does not have any debentures outstanding as at the year end.

(xx) The Company has not raised any money through public issue during the year.

(xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year nor we have been informed of any such cases by the management.

For **P. K. SAH & ASSOCIATES**

Chartered Accountants

Firm Registration no. 322271E

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

Partner

Place : Kolkata

Dated : 28th April, 2014

Membership No. 056216

# Balance Sheet

as at 31st March, 2014

Particulars	Note No.	Amount in ₹	
		As At 31st March, 2014	As At 31st March, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	69,964,955	69,964,955
Reserves and Surplus	3	196,498,505	214,552,787
		<b>266,463,460</b>	<b>284,517,742</b>
<b>Non- Current Liabilities</b>			
Long Term Provisions	4	20,273,410	236,267
<b>Current Liabilities</b>			
Short Term Borrowings	5	75,130,691	311,661,676
Trade Payables	6	165,044	125,685
Other Current Liabilities	7	805,606	8,141,014
Short Term Provisions	4	355,926	737,913
		76,457,267	320,666,288
<b>Total</b>		<b>363,194,137</b>	<b>605,420,297</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
- Tangible Assets	8	2,112,440	2,794,753
Non- Current Investments	9	468,000	156,911,468
Deferred Tax Assets (Net)	10	9,450,858	10,540,447
Long Term Loans & Advances	11	15,457,958	24,557,958
Other Non - Current Assets	12	12,300	3,100,631
		<b>27,501,556</b>	<b>197,905,257</b>
<b>Current Assets</b>			
Cash & Bank Balances	13	101,884,391	103,344,826
Short Term Loans & Advances	11	222,513,985	301,497,268
Other Current Assets	12	11,294,205	2,672,946
		335,692,581	407,515,040
<b>Total</b>		<b>363,194,137</b>	<b>605,420,297</b>

Significant Accounting Policies

1.1

The accompanying notes 1 to 27 are an integral part of the Financial Statements

As per our report of even date attached

For **P. K. SAH & ASSOCIATES**

Chartered Accountants

Firm Registration No. 322271E

**(P. K. Sah, FCA)**

Partner

Membership No. 056216

**Pawan Jain**

(Managing Director)

**Sagar Jain**

(Director)

Place : Kolkata

Date : 28th April, 2014

**Amit Jain**

(Chief Financial Officer)

**Anju Mundhra**

(Company Secretary)

For and on behalf of the Board

# Statement of Profit and Loss

for the year ended on 31st March, 2014

Particulars	Note No.	Amount in ₹	
		Year Ended 31st March, 2014	Year Ended 31st March, 2013
<b>INCOME</b>			
Revenue From Operations	14	63,569,854	66,919,070
Other Income	15	611,958	1,987,683
<b>Total Revenue</b>		<b>64,181,812</b>	<b>68,906,753</b>
<b>EXPENSES</b>			
Loss on Sale/Redemption of Non - Current Investments		20,110,700	-
Loss from Derivatives in Shares & Commodities / Intra day Trading in Shares		10,860,858	83,140,781
Finance Costs	16	21,481,281	15,682,112
Employee Benefit Expenses	17	4,922,439	3,993,185
Depreciation	8	145,270	213,955
Other Expenses	18	3,472,547	1,910,974
Provisions for Non Performing Assets		20,153,410	-
Contingent Provision against Standard Assets		-	460,939
<b>Total Expenses</b>		<b>81,146,505</b>	<b>105,401,946</b>
<b>Profit / (Loss) Before Tax</b>		<b>(16,964,693)</b>	<b>(36,495,193)</b>
<b>LESS : TAX EXPENSES</b>			
- Current Tax		492,951	-
- MAT Credit Entitlement		(492,951)	-
- Deferred Tax Liabilities/(Assets)		1,089,589	(10,858,297)
- Tax relating to earlier year		-	27,842
<b>Profit / (Loss) for the Year</b>		<b>(18,054,282)</b>	<b>(25,664,738)</b>
Earnings per Equity Share of ₹ 10/- each (Basic and Diluted)	19	(2.58)	(3.67)
Significant Accounting Policies	1.1		

The accompanying notes 1 to 27 are an integral part of the Financial Statements

As per our report of even date attached

For **P. K. SAH & ASSOCIATES**

Chartered Accountants

Firm Registration No. 322271E

**(P. K. Sah, FCA)**

Partner

Membership No. 056216

**Pawan Jain**

(Managing Director)

**Sagar Jain**

(Director)

Place : Kolkata

Date : 28th April, 2014

**Amit Jain**

(Chief Financial Officer)

**Anju Mundhra**

(Company Secretary)

For and on behalf of the Board

# Cash Flow Statement

for the year ended on 31st March, 2014

Particulars	Amount in ₹	
	Year Ended 31st March, 2014	Year Ended 31st March, 2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit Before Tax</b>	<b>(16,964,693)</b>	<b>(36,495,193)</b>
<b>Adjustments for</b>		
Depreciation on Fixed Assets	145,270	213,955
Actuarial (Gain) / Provision for Gratuity	(121,342)	40,814
Provision for Sick Leave no longer required written back	(1,136)	-
Provision for Privilege Leave	11,999	1,167
Provision of Non-Performing Assets	20,153,410	-
Contingent Provision against Standard Assets /(written back)	(387,775)	460,939
(Profit) / Loss on sale / redemption of Non- Current Investments	20,110,700	(4,033,780)
Irrecoverable Advances Written Off	43,379	-
(Profit)/Loss on Sale of Fixed Assets	437,043	(1,600,704)
Finance Costs	21,481,281	15,682,112
Dividend on Non - Current Investments	-	(300,795)
<b>Operating Profit Before Working Capital Changes</b>	<b>44,908,136</b>	<b>(26,031,485)</b>
<b>Adjustments for :</b>		
Increase / (Decrease) in Trade Payables	39,359	482,484
Increase / (Decrease) in Other Current Liabilities	(7,335,408)	7,303,559
(Increase) / Decrease in Trade Receivables	-	4,714,894
(Increase) / Decrease in Long Term Loans & Advances	9,100,000	(2,748,390)
(Increase) / Decrease in Short Term Loans & Advances	85,412,142	(184,412,775)
(Increase) / Decrease in Other Non - Current Assets	3,088,331	18,781,395
(Increase) / Decrease in Other Current Assets	(8,621,259)	(2,672,946)
<b>Cash Generated From Operations</b>	<b>126,591,301</b>	<b>(184,583,264)</b>
<b>Adjustments for :</b>		
Finance Costs	(21,481,281)	(15,682,112)
Direct Tax Paid	(6,472,238)	(6,327,318)
<b>Net Cash Generated from / (Used in) Operating Activities</b>	<b>98,637,782</b>	<b>(206,592,694)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
<b>Add / (Less) :</b>		
Unpaid Dividend Account	-	131,435
Proceeds from Sale of Fixed Assets	100,000	3,226,825
Proceeds from Sale of Non - Current Investments	159,338,949	476,532,838
Purchase of Non- Current Investments	(23,006,181)	(488,275,786)
(Increase) /Decrease in Fixed Deposits	-	(100,000,000)
Dividend on Non - Current Investments	-	300,795
<b>Net Cash Generated from / (Used in) Investing Activities</b>	<b>136,432,768</b>	<b>(108,083,893)</b>

Particulars	Amount in ₹	
	Year Ended 31st March, 2014	Year Ended 31st March, 2013
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
<b>ADD / (LESS) :</b>		
Decrease in Short Term Borrowings	(236,530,985)	311,661,676
<b>Net Cash Used in Financing Activities</b>	<b>(236,530,985)</b>	<b>311,661,676</b>
<b>Net Increase /(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(1,460,435)</b>	<b>(3,014,911)</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>3,344,826</b>	<b>6,359,737</b>
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>1,884,391</b>	<b>3,344,826</b>

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

As per our report of even date attached  
For **P. K. SAH & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 322271E

For and on behalf of the Board

**(P. K. Sah, FCA)**  
Partner  
Membership No. 056216

**Pawan Jain**  
(Managing Director)

**Sagar Jain**  
(Director)

Place : Kolkata  
Date : 28th April, 2014

**Amit Jain**  
(Chief Financial Officer)

**Anju Mundhra**  
(Company Secretary)

# Notes

to Financial Statements as at and for the year ended 31st March, 2014

## 1. COMPANY INFORMATION

Ashika Credit Capital Limited (the Company) is a public limited company domiciled in India and incorporated under the Companies Act, 1956. Its shares are listed and traded on The Calcutta Stock Exchange Limited since 20th September, 2000 and also traded under the "permitted securities" category at the nationwide platform of BSE Ltd. since 11th November, 2011. The Company is a RBI registered Non - Deposit taking Non Banking Financial Company, carrying on NBF1 activities. It is mainly engaged in the business of financing, providing loans and advances and investment & trading in shares and securities.

### 1.1 Significant Accounting Policies

#### (i) Basis of Accounting

- a) The financial statements have been prepared to comply in all material aspects with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956 read with General Circular No.15/2013 dated 13th September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013.
- b) The Company follows the directives prescribed by the Reserve Bank of India for Non Banking Financial Companies.
- c) The financial statements have been prepared under the historical cost convention on an accrual basis. However, income is not recognised and also provision is made in respect of non-performing assets as per the guidelines for prudential norms prescribed by the Reserve Bank of India. Except otherwise mentioned, the accounting policies applied by the Company are consistent with those used in the previous year.

#### (ii) Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the reported amounts of revenues and expense during the reported period. Although these estimates are based on the management's best knowledge of current events and actions, actual

results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future period.

#### (iii) Revenue Recognition

- a) Revenue from trading in securities / intraday transactions is accounted for on trade date basis.
- b) Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- c) Dividend income is recognised when the company's right to receive payment is established by the reporting date.
- d) All other Incomes are accounted for on accrual basis.

#### (iv) Fixed Assets

Tangible Fixed Assets are stated at cost, less accumulated depreciation and impairment loss thereon, if any. Cost comprises of purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

#### (v) Depreciation on Fixed Assets

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

#### (vi) Impairment of Fixed Assets

The carrying amounts of the assets are reviewed at each balance sheet date to ascertain if there is any indication of impairment based on external or internal factors. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount which is the greater of the assets' net selling price and value in use. An impairment loss is charged to the statement of profit and 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.

# Notes

to Financial Statements as at and for the year ended 31st March, 2014

## (vii) Investments

Long term investments, those are intended to be held for a period of more than a year are considered at 'cost' on individual investment basis, unless there is a decline in the value other than temporary, in which case adequate provision is made against the diminution in the value of such investments.

## (viii) Derivative Instruments

In accordance with the ICAI announcements, derivative contracts (other than foreign currency forward contracts covered under AS 11) is done based on the 'marked to market' principle, on a portfolio basis, and the net loss, if any, after considering the offsetting effect of underlying hedged items, is charged to the statement of profit and loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored as a matter of prudence.

## (ix) Earnings per Share

Basic Earnings per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted Earnings per Share is calculated by adjustment of all the effects of dilutive potential equity shares from the net profit or loss for the period attributed to equity shareholders and the weighted average numbers of shares outstanding during the period.

## (x) Taxation

Tax expenses comprises of current tax (net of Minimum Alternate Tax credit entitlement) and deferred tax.

Current tax is determined as the amount of tax payable in respect of taxable income for the period under the provisions of the Income Tax Act 1961.

Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversible in one or more subsequent periods. Deferred tax assets are recognised and carried forward only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset item will be realised. If

the company has carry forward unabsorbed depreciation and tax losses, deferred tax assets are recognised only to the extent there is virtual certainty supported by convincing evidence that sufficient taxable income will be available against which such deferred tax assets can be realised.

## (xi) Retirement Benefits:

- a) Employment benefits in the form of Provident Fund and Employee State Insurance are defined contribution plans and the Company's contribution, paid or payable during the reported period, are charged to the statement of profit and loss.
- b) Gratuity liability is a defined benefit plan and is provided for on the basis of actuarial valuation on projected units credit method at the Balance Sheet date.
- c) Long Term compensated leave are provided for based on actuarial valuation as per projected unit credit method at the Balance Sheet date.
- d) Actuarial gain / losses are charged to the statement of profit and loss and are not deferred.

## (xii) Segment Reporting

Based on the risks and returns associated with business operations and in terms of Accounting Standard -17 (Segment Reporting), the Company is predominantly engaged in a single reportable segment of 'Financial Services'.

## (xiii) Provisions, Contingent Liabilities & Contingent Assets

A provision is recognised when the company has present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes to the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

# Notes

to Financial Statements as at and for the year ended 31st March, 2014

## 2 : SHARE CAPITAL

Particulars	Amount in ₹	
	As at 31st March, 2014	As at 31st March, 2013
<b>Authorised</b>		
20,250,000 Equity Shares of ₹ 10/- each	<b>202,500,000</b>	<b>202,500,000</b>
<b>Issued &amp; Subscribed</b>		
7,001,000 Equity Shares of ₹ 10/- each	<b>70,010,000</b>	<b>70,010,000</b>
<b>Fully Paid Up</b>		
6,994,826 Equity Shares of ₹ 10/- each	69,948,260	69,948,260
Add : 6,174 Forfeited Equity Shares	<b>16,695</b>	<b>16,695</b>
	<b>69,964,955</b>	<b>69,964,955</b>

### a) Reconciliation of Equity Shares outstanding

Equity Shares	Amount in ₹			
	As at 31st March, 2014		As at 31st March, 2013	
	Nos.	₹	Nos.	₹
At the beginning of the year	6,994,826	69,948,260	6,994,826	69,948,260
Add : Issued during the year	-	-	-	-
At the end of the year	<b>6,994,826</b>	<b>69,948,260</b>	<b>6,994,826</b>	<b>69,948,260</b>

### b) Terms / rights attached to Equity Shares

The Company has only one class of equity shares having par value of ₹10/- per share. All these shares have the same right with respect to payment of dividend, repayment of capital and voting. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the number of equity shares held by them.

### c) Details of shareholders holding more than 5% shares in the Company

Name of the Shareholder	Amount in ₹			
	As at 31st March, 2014		As at 31st March, 2013	
	Nos.	% holding in the class	Nos.	% holding in the class
<b>Equity Shares of ₹ 10/- each fully paid up</b>				
Pawan Jain (HUF)	789,000	11.28	1,719,320	24.58
Daulat Jain (HUF)	-	-	769,375	11.00
Ashika Hedge Fund Pvt. Ltd.	566,900	8.10	600,000	8.58
Ashika Share Trading Pvt. Ltd.	500,000	7.15	500,000	7.15

# Notes

to Financial Statements as at and for the year ended 31st March, 2014

## 3 : RESERVES AND SURPLUS

Particulars		Amount in ₹	
		As At 31st March, 2014	As At 31st March, 2013
<b>Securities Premium Account</b>			
Balance as per last financial statements	(A)	209,187,000	209,187,000
<b>Statutory Reserves U/s 451C of the RBI Act, 1934</b>			
Balance as per last financial statements	(B)	7,268,111	7,268,111
<b>Surplus / (Deficit) in the Statement of Profit and Loss</b>			
Balance as per last financial statements		(1,902,324)	23,762,414
Add : Profit / (Loss) for the year		(18,054,282)	(25,664,738)
	(C)	(19,956,606)	(1,902,324)
	<b>(A+B+C)</b>	<b>196,498,505</b>	<b>214,552,787</b>

## 4 : PROVISIONS

Equity Shares	Amount in ₹			
	Long - Term		Short - Term	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
<b>Provision for Employees Benefits</b>				
Gratuity	81,296	223,343	20,705	-
Privilege Leave	11,454	12,924	12,333	-
	<b>(A)</b>	<b>92,750</b>	<b>33,038</b>	<b>-</b>
<b>Others</b>				
Provision for Non Performing Assets	20,153,410	-	-	-
Contingent Provision against Standard Assets	27,250	-	322,888	737,913
	<b>(B)</b>	<b>20,180,660</b>	<b>322,888</b>	<b>737,913</b>
	<b>(A+B)</b>	<b>20,273,410</b>	<b>236,267</b>	<b>737,913</b>

### Nature of certain provisions and their movement

Provision for non-performing assets (NPAs) is made in the financial statements according to the Prudential Norms prescribed by RBI for NBFCs. The Company creates a general provision at 0.25% of the standard assets outstanding on the balance sheet date, as per the RBI Prudential Norms.

The following table sets forth the movement of aforesaid Provisions

Particulars	Amount in ₹			
	Provisions for NPAs Year ended		Contingent Provision against Standard Assets Year ended	
	31st March, 2014	31st March, 2013	31st March, 2014	31st March, 2013
Opening Balance	-	-	737,913	276,974
Provisions/(Reversals) during the year	20,153,410	-	(387,775)	460,939
Closing Balance	<b>20,153,410</b>	<b>-</b>	<b>350,138</b>	<b>737,913</b>

# Notes

to Financial Statements as at and for the year ended 31st March, 2014

## 5 : SHORT TERM BORROWINGS

Particulars		Amount in ₹	
		As At 31st March, 2014	As At 31st March, 2013
Secured, repayable on demand			
Credit Facilities from Bank	(A)	75,130,691	84,861,676
Unsecured, repayable on demand			
Loans from related parties		-	59,300,000
Loans from others		-	167,500,000
	(B)	-	<b>226,800,000</b>
	<b>(A+B)</b>	<b>75,130,691</b>	<b>311,661,676</b>

**Note :** Credit facility from bank by way of overdraft are secured against pledge of Company's fixed deposits having face value of ₹ 100,000,000/- (P.Y. ₹ 100,000,000/-) [refer note no. 13]

## 6 : TRADE PAYABLES

Particulars	Amount in ₹	
	As At 31st March, 2014	As At 31st March, 2013
- Due to Micro Enterprises & Small Enterprises *	-	-
- Due to Others	165,044	125,685
	<b>165,044</b>	<b>125,685</b>

\* Based on the information/ documents available with the Company, no creditor is covered under Micro, Small and Medium Enterprise Development Act, 2006. As a result, no interest provisions/ payments have been made by the Company to such creditors and no disclosures thereof are made in these financial statements.

## 7 : OTHER CURRENT LIABILITIES

Particulars	Amount in ₹	
	As At 31st March, 2014	As At 31st March, 2013
Interest accrued on Short Term Borrowings	-	5,761,990
Statutory Dues	78,746	911,219
Payable to Employees	223,033	546,276
Other Liabilities	503,827	921,529
	<b>805,606</b>	<b>8,141,014</b>

# Notes

to Financial Statements as at and for the year ended 31st March, 2014

## 8 : FIXED ASSETS

Amount in ₹

Particulars	Gross Block (at cost)			Depreciation				Net Block		
	As At 1st April, 2013	Additions/ Adjustments	Withdrawals / Adjustments	As At 31st March, 2014	As At 1st April, 2013	For the Year	Deduction / Adjustments	As At 31st March, 2014	As At 31st March, 2014	As At 31st March, 2013
<b>TANGIBLE ASSETS</b>										
<b>Buildings</b>	2,188,504	-	-	2,188,504	216,378	35,673	-	252,051	1,936,453	1,972,126
<b>Plant &amp; Equipments</b>										232,092
Computers & Printers	979,795	-	-	979,795	747,703	56,105		803,808	175,987	
<b>Motor Vehicles</b>	1,073,220	-	1,073,220	-	482,685	53,492	536,177	-	-	590,535
<b>Total</b>	<b>4,241,519</b>	<b>-</b>	<b>1,073,220</b>	<b>3,168,299</b>	<b>1,446,766</b>	<b>145,270</b>	<b>536,177</b>	<b>1,055,859</b>	<b>2,112,440</b>	<b>2,794,753</b>
<b>Total of Previous Year</b>	<b>5,984,044</b>	<b>-</b>	<b>1,742,525</b>	<b>4,241,519</b>	<b>1,349,215</b>	<b>213,955</b>	<b>116,404</b>	<b>1,446,766</b>	<b>2,794,753</b>	<b>4,634,829</b>

Notes : (i) Building includes premises with gross value of ₹ 15,62,394/- (P.Y. ₹ 15,62,394/-), in respect of which conveyance is pending.

(ii) None of the Company's fixed assets are considered impaired as on the balance sheet date.

## 9 : NON - CURRENT INVESTMENTS

Amount in ₹

Particulars		As At 31st March, 2014	As At 31st March, 2013
<b>Other Investments - At Cost</b>			
<b>Investments in Equity Instruments</b>			
<b>Shares of ₹ 2/- each fully paid up (Quoted)</b>			
Nil (P.Y. 67,928) Sh. Core Education & Technologies Ltd.	(A)	-	21,771,762
Shares at ₹ 10/- each fully paid up (Unquoted)			
Nil (P.Y. 1,200,000) Sh. Ashika Global Securities Pvt. Ltd.		-	120,000,000
Nil (P.Y. 47,000) Sh. Ashika Properties Pvt. Ltd.		-	4,700,000
	(B)	-	<b>124,700,000</b>
<b>Investment in Government Securities (Unquoted)</b>			
12.3% Government of India Stocks (Face Value ₹ 4,00,000/-)	(C)	468,000	468,000
<b>Investment in Units of Exchange Traded Funds - (Quoted)</b>			
Nil (P.Y. 3,839) units in Benchmark Mutual Funds -			
Gold Benchmark Exchange Traded Schemes	(D)	-	9,971,706
	(A+B+C+D)	<b>468,000</b>	<b>156,911,468</b>
Aggregate Amount of Quoted Non- Current Investments - At Cost		-	31,743,468
- At Market value		-	14,270,585
Aggregate Amount of Unquoted Non- Current Investments - At Cost		468,000	125,168,000

# Notes

to Financial Statements as at and for the year ended 31st March, 2014

## 10 : DEFERRED TAX ASSETS (NET)

Particulars	Amount in ₹	
	As At 31st March, 2014	As At 31st March, 2013
<b>Deferred Tax Assets</b>		
Carried Forward Business Loss	3,690,161	10,912,762
Carried Forward Unabsorbed Depreciation	36,238	36,238
Provision of Gratuity	31,518	69,013
Provision for Privilege Leave	7,350	3,994
Contingent Provision against Standard Assets	108,193	228,015
Provision for Non-Performing Assets	6,227,404	-
	<b>(A)</b>	<b>11,250,022</b>
<b>Deferred Tax Liabilities</b>		
Difference between tax depreciation and book depreciation on fixed assets	650,006	709,575
	<b>(B)</b>	
	<b>(A-B)</b>	<b>10,540,447</b>

## 11 : LOANS & ADVANCES

Particulars	Amount in ₹			
	Long - Term		Short - Term	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
<b>Considered good, unless otherwise stated</b>				
<b>Capital Advances, Unsecured</b>	4,492,515	4,492,515	-	-
<b>Security Deposits, Unsecured</b>	65,443	65,443	-	-
<b>Loans</b>				
Secured	-	-	51,198,356	55,563,700
Unsecured	10,900,000	-	158,570,397	239,601,512
<b>Margin Deposits with Related Party, Unsecured</b>	-	20,000,000	-	-
<b>Other Loans &amp; Advances, Unsecured</b>				
Balance with Government Authorities				
- Income Tax Payment (net of provisions)	-	-	12,250,814	6,271,527
- Service Tax Modvat Receivables	-	-	-	43,379
MAT Credit Entitlement	-	-	492,951	-
Advances to Employees	-	-	-	10,000
Prepaid Expenses	-	-	1,467	7,150
	<b>15,457,958</b>	<b>24,557,958</b>	<b>222,513,985</b>	<b>301,497,268</b>

- Note :** (a) Secured Loans are secured by pledge of equity shares of the borrowers.  
 (b) Unsecured Loans includes Non - Performing Assets of ₹ 80,613,640/- (Previous year - Nil).  
 (c) Margin Deposits with related party in previous year represents due from Ashika Stock Broking Ltd.

# Notes

to Financial Statements as at and for the year ended 31st March, 2014

## 12 : OTHER ASSETS

	Amount in ₹			
	Non - Current		Current Assets	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
<b>Unsecured, considered good</b>				
Interest Accrued but not due :				
On Govt. Securities	12,300	12,300	-	-
On Fixed Deposits	-	-	11,294,205	2,672,946
On Margin Deposits	-	3,088,331	-	-
	<b>12,300</b>	<b>3,100,631</b>	<b>11,294,205</b>	<b>2,672,946</b>

## 13 : CASH & BANK BALANCES

		Amount in ₹	
		As At 31st March, 2014	As At 31st March, 2013
<b>Cash and Cash Equivalents</b>			
Balances with Banks in Current Accounts		902,096	2,784,167
Cheque in hand		780,905	-
Cash in Hand		201,390	560,659
	(A)	<b>1,884,391</b>	<b>3,344,826</b>
<b>Other Bank Balances</b>			
Fixed Deposits with original maturity more than twelve months	(B)	<b>100,000,000</b>	<b>100,000,000</b>
	<b>(A+B)</b>	<b>101,884,391</b>	<b>103,344,826</b>

**Note :** (a) Fixed Deposits with bank is pledged with bank against credit facilities.  
 (b) The balances that meet the definition of Cash and Cash Equivalents as per AS -3 (Cash Flow Statement) is ₹ 1,884,391/- (P.Y. ₹ 3,344,826/-).

## 14 : REVENUE FROM OPERATIONS

	Amount in ₹	
	Year Ended 31st March, 2014	Year Ended 31st March, 2013
Interest Income		
- On Loans Granted	53,221,746	55,844,287
- On Deposits with Banks	9,881,930	4,176,196
- On Margin Money Deposits	416,868	2,348,812
- On Investment in Govt. Securities	49,200	49,200
- On Investment in Bonds	110	-
Income from Other Financial Services		
- Profit on Sale/Redemption of Non - Current Investments	-	4,033,780
- Dividend on Non - Current Investments	-	300,795
- Income from Advisory Services/ Fee Income	-	166,000
	<b>63,569,854</b>	<b>66,919,070</b>

# Notes

to Financial Statements as at and for the year ended 31st March, 2014

## 15 : OTHER INCOME

	Amount in ₹	
	Year Ended 31st March, 2014	Year Ended 31st March, 2013
Interest on Income Tax Refunds	-	109,663
Rent Income	80,000	240,000
Profit on Sale of Fixed Assets	-	1,600,704
Actuarial Gain on Gratuity	121,342	-
Provision for Sick Leave no longer required written back	1,136	-
Contingent Provision against Standard Assets written back	387,775	-
Other Non - Operating Income	21,705	37,316
	<b>611,958</b>	<b>1,987,683</b>

## 16 : FINANCE COSTS

	Amount in ₹	
	Year Ended 31st March, 2014	Year Ended 31st March, 2013
Interest on Credit Facilities from Bank	3,820,474	811,283
Interest on Short Term Borrowings	17,660,807	14,870,829
	<b>21,481,281</b>	<b>15,682,112</b>

## 17 : EMPLOYEE BENEFIT EXPENSES

	Amount in ₹	
	Year Ended 31st March, 2014	Year Ended 31st March, 2013
Salary & Other Allowances	4,471,561	3,648,138
Bonus	151,679	162,781
Contribution to Provident Fund / ESI	216,491	80,338
Gratuity	-	43,122
Privilege Leave	11,999	1,167
Staff Welfare Expenses	70,709	57,639
	<b>4,922,439</b>	<b>3,993,185</b>

# Notes

to Financial Statements as at and for the year ended 31st March, 2014

## 18 : OTHER EXPENSES

	Amount in ₹	
	Year Ended 31st March, 2014	Year Ended 31st March, 2013
Rent & Maintenance	82,164	173,810
Electricity Charges	7,788	21,893
Insurance Charges	17,055	16,426
Rates & Taxes	24,003	34,246
Advertisement	149,012	185,640
Travelling & Conveyance	1,607,472	337,448
Postage & Courier	46,944	51,378
Motor Vehicles Expenses	62,328	109,067
Telephone / Mobile Expenses	34,848	50,341
Printing & Stationary	127,461	120,078
Professional Fees	119,735	85,120
Fees & Subscriptions	111,373	169,809
Directors' Sitting Fees	100,000	145,000
Auditors' Remuneration (see note - 20)	152,249	132,108
Loss on Sale of Fixed Assets	437,043	-
Business Promotion Expenses	173,768	-
Irrecoverable Advances Written Off	43,379	-
Donation	-	200,000
Miscellaneous Expenses	175,925	78,610
	<b>3,472,547</b>	<b>1,910,974</b>

## 19 : EARNINGS PER SHARE (EPS)

	Amount in ₹	
	Year Ended 31st March, 2014	Year Ended 31st March, 2013
Profit / (Loss) after Tax (₹)	(18,054,282)	(25,664,738)
Weighted average number of Equity Shares (Nos.)	6,994,826	6,994,826
Nominal value of Equity Shares (₹)	10	10
<b>Basic and Diluted Earnings per Share (₹)</b>	<b>(2.58)</b>	<b>(3.67)</b>

Note: Earnings per share are done in accordance with the Accounting Standard (AS) - 20 issued by ICAI

## 20 : AUDITORS' REMUNERATION

	Amount in ₹	
	Year Ended 31st March, 2014	Year Ended 31st March, 2013
Statutory Audit	89,888	80,000
Tax Audit	22,472	20,000
Other Services	39,889	32,108
	<b>152,249</b>	<b>132,108</b>

Note: Previous Year's figures are net of Service Tax availed as Input Credit

## Notes

to Financial Statements as at and for the year ended 31st March, 2014

### 21. THERE ARE NO CONTINGENT LIABILITIES AS ON THE BALANCE SHEET DATE

### 22. DETAILS OF OUTSTANDING DERIVATIVES :

Particulars	Amount in ₹	
	As at 31st March, 2014	As at 31st March, 2013
Outstanding Derivatives		
Contract Value – Share Derivatives	-	50,480,200

### 23. EMPLOYEE BENEFITS:

#### Defined Contribution Plan

Particulars	Amount in ₹	
	Year Ended 31st March, 2014	Year Ended 31st March, 2013
Contribution to Provident Fund	2,09,888	77,030
Contribution to Employee State Insurance	6,603	3,308
<b>Total</b>	<b>2,16,491</b>	<b>80,338</b>

#### (a) Defined Benefit Plan

The Company has provided for gratuity, privilege /sick leave benefits liability based on actuarial valuation done as per the projected unit method. The scheme is unfunded.

The following tables summarise the components of net benefit expenses recognised in the Statement of Profit and Loss and amounts recognised in the balance sheet for the respective plan.

Particulars	Amount in ₹			
	Gratuity		Privilege/Sick leave	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
<b>(i) Expenses recognised in the Statement of Profit and Loss :</b>				
Current service cost	48,319	64,323	2,287	5,746
Interest cost on benefit obligation	14,640	18,264	1,601	1,097
Expected return on plan assets	-	-	-	-
Net Actuarial (gain) /loss recognised in the year	(1,84,301)	(39,465)	8,111	(5,676)
<b>Net benefit expenses</b>	<b>(1,21,342)</b>	<b>43,122</b>	<b>11,999</b>	<b>1,167</b>
<b>(ii) Net Liability recognised in the Balance Sheet :</b>				
Defined Benefit Obligation	1,02,001	2,23,343	23,787	12,924
Fair value of Plan Assets	-	-	-	-
<b>Net Liability - Non Current</b>	<b>(81,296)</b>	<b>(2,23,343)</b>	<b>(11,454)</b>	<b>(12,924)</b>
<b>Current</b>	<b>(20,705)</b>	<b>-</b>	<b>(12,333)</b>	<b>-</b>
<b>(iii) Changes in the present value of defined Obligation:</b>				
Opening defined benefit obligation	2,23,343	1,82,529	12,924	11,757
Current service cost	48,319	64,323	2,287	5,746
Interest Cost	14,640	18,264	1,601	1,097
Benefits paid	-	(2,308)	-	-
Actuarial (gains)/losses on obligation	(1,84,301)	(39,465)	8,111	(5,676)
<b>Closing Defined benefit Obligations</b>	<b>1,02,001</b>	<b>2,23,343</b>	<b>23,787*</b>	<b>12,924</b>

# Notes

to Financial Statements as at and for the year ended 31st March, 2014

Particulars	Amount in ₹	
	As At 31st March, 2014	As At 31st March, 2013
<b>(iv) The Principal actuarial assumptions are as follows:</b>		
Discount rate	8.25%	8.25%
Salary increase	5.00%	5.00%
Withdrawal rates	Varying between 8% and 1% per annum depending upon the duration and age of the employees.	
Mortality	India Assured Lives Mortality (2006-2008) ultimate	India Assured Lives Mortality (2006-2008) ultimate

Particulars	Amount in ₹							
	Gratuity					Privilege/Sick leave		
	2013-14	2012-13	2011-12	2010-11	2009-10	2013-14	2012-13	2011-12
<b>(V) The amounts for the current and previous years are as follows :</b>								
Defined Benefit Obligation	1,02,001	2,23,343	1,82,529	71,921	77,824	23,787	12,924	11,757
Plan Assets	-	-	-	-	-	-	-	-
Surplus / ( Deficit )	(1,02,001)	(2,23,343)	(1,82,529)	(71,921)	(77,824)	(23,787)	(12,924)	(11,757)
Experience adjustments on plan liabilities Gain /(Loss)	1,84,301	39,465	(73,789)	31,899	1,14,981	(8,111)	5,676	(6,286)
Experience adjustments on plan assets Gain / (Loss)	-	-	-	-	-	-	-	-

\*Adjusted for ₹ 1,136/- being the opening sick leave obligation no longer required as there is no outstanding sick leave as on the balance sheet date.

# Notes

to Financial Statements as at and for the year ended 31st March, 2014

## 24 Related Parties Disclosures

Related parties disclosures, as stipulated by Accounting Standard – 18- Related Party Disclosures, issued by ICAI, are given below:

### a) List of Related Parties:

#### i) Key Management Personnel:

Mr. Pawan Jain, Managing Director

Mr. Daulat Jain (Director upto 30th April, 2013)

#### ii) Relatives of Key Management Personnel

Kanchan Devi Jain

#### iii) Enterprises in which Key Management Personnel & their Relatives having Significant Influence:

Ashika Stock Broking Ltd.

Ashika Global Securities Pvt. Ltd. (formerly Ashika Global Securities Ltd.)

Ashika Capital Ltd.

Ashika Commodities & Derivatives Pvt. Ltd.

Ashika Global Finance Pvt. Ltd.

Ashika Logistics Pvt. Ltd. (formerly Ashika Insurance Broking & Risk Management Pvt. Ltd.)

Ashika Venture Capital Pvt. Ltd.

Ashika Business Pvt. Ltd. (formerly Ashika Forex Services Pvt. Ltd.)

Ashika Share Trading Pvt. Ltd.

Ashika Hedge Fund Pvt. Ltd.

Ashika Properties Pvt. Ltd.

Ashika Technology Pvt. Ltd.

Ashika Minerals India Pvt. Ltd. (formerly Ashika Wealth Management Pvt. Ltd)

Puja Sales Promotion Pvt. Ltd.

Kanchan Devi Puranmal Patni Charitable Trust

Pawan Jain (HUF)

Daulat Jain (HUF)

Puranmal Jain & Sons (HUF)

### b) Transactions with Related Parties:

Aggregate Related Party Transactions as at and for the year ended on 31st March, 2014 (Transactions have been taken place on arm's length basis.)

Amount in ₹

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Enterprises in which Key Management Personnel & their Relatives having Significant Influence		Total	
	Transaction Value	Balance Outstanding as on 31.03.2014	Transaction Value	Balance Outstanding as on 31.03.2014	Transaction Value	Balance Outstanding as on 31.03.2014	Transaction Value	Balance Outstanding as on 31.03.2014
	<b>Loans Taken</b>							
Ashika Business Pvt. Ltd.	-	-	-	-	1,50,000	-	1,50,000	-
	(-)	(-)	(-)	(-)	(59,00,000)	(44,00,000)	(59,00,000)	(44,00,000)
Ashika Global Securities Pvt. Ltd.	-	-	-	-	-	-	-	-

# Notes

to Financial Statements as at and for the year ended 31st March, 2014

Amount in ₹

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Enterprises in which Key Management Personnel & their Relatives having Significant Influence		Total	
	Transaction Value	Balance Outstanding as on 31.03.2014	Transaction Value	Balance Outstanding as on 31.03.2014	Transaction Value	Balance Outstanding as on 31.03.2014	Transaction Value	Balance Outstanding as on 31.03.2014
	(-)	(-)	(-)	(-)	(28,60,00,000)	(3,70,00,000)	(28,60,00,000)	(3,70,00,000)
Ashika Hedge Fund Pvt. Ltd.	-	-	-	-	4,50,000	-	4,50,000	-
Ashika Logistics Pvt. Ltd.	(-)	(-)	(-)	(-)	(4,07,00,000)	(32,00,000)	(4,07,00,000)	(32,00,000)
Ashika Properties Pvt. Ltd.	(-)	(-)	(-)	(-)	2,50,000	-	2,50,000	-
	(-)	(-)	(-)	(-)	(95,00,000)	(89,00,000)	(95,00,000)	(89,00,000)
	-	-	-	-	1,00,000	-	1,00,000	-
	(-)	(-)	(-)	(-)	(73,00,000)	(58,00,000)	(73,00,000)	(58,00,000)
<b>Margin Money Paid</b>								
Ashika Commodities & Derivatives Pvt. Ltd.	-	-	-	-	16,00,000	-	16,00,000	-
Ashika Stock Broking Ltd.	(-)	(-)	(-)	(-)	(40,000)	(-)	(40,000)	(-)
	-	-	-	-	1,82,24,147	-	1,82,24,147	-
	(-)	(-)	(-)	(-)	(49,83,62,896)	(2,00,00,000)	(49,83,62,896)	(2,00,00,000)
<b>Advances Taken</b>								
Daulat Jain (HUF)	-	-	-	-	1,00,00,000	-	1,00,00,000	-
Kanchan Devi Jain	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Pawan Jain (HUF)	-	-	20,00,000	-	-	-	20,00,000	-
Puranmal Jain & Sons (HUF)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	-	-	-	-	1,00,00,000	-	1,00,00,000	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	-	-	-	-	20,00,000	-	20,00,000	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
<b>Sale of Long Term Investments</b>								
Daulat Jain (HUF)	-	-	-	-	5,49,35,000	-	5,49,35,000	-
Kanchan Devi Jain	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Pawan Jain (HUF)	-	-	1,00,00,000	-	-	-	1,00,00,000	-
Puranmal Jain & Sons (HUF)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	-	-	-	-	5,00,00,000	-	5,00,00,000	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	-	-	-	-	1,00,00,000	-	1,00,00,000	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
<b>Reimbursement of Expenses</b>								
Ashika Stock Broking Ltd.	-	-	-	-	627	-	627	-
Pawan Jain	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	4,049	-	-	-	-	-	4,049	-
	(1,000)	(-)	(-)	(-)	(-)	(-)	(1,000)	(-)
<b>Advance License Fees Received</b>								
Ashika Stock Broking Ltd.	-	-	-	-	10,000	-	10,000	-
	(-)	(-)	(-)	(-)	(-)	(837)	(-)	(837)

# Notes

to Financial Statements as at and for the year ended 31st March, 2014

Amount in ₹

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Enterprises in which Key Management Personnel & their Relatives having Significant Influence		Total	
	Transaction Value	Balance Outstanding as on 31.03.2014	Transaction Value	Balance Outstanding as on 31.03.2014	Transaction Value	Balance Outstanding as on 31.03.2014	Transaction Value	Balance Outstanding as on 31.03.2014
Ashika Global Securities Pvt. Ltd.	-	-	-	-	10,000	-	10,000	-
	(-)	(-)	(-)	(-)	(-)	(837)	(-)	(837)
Ashika Capital Ltd.	-	-	-	-	10,000	-	10,000	-
	(-)	(-)	(-)	(-)	(-)	(837)	(-)	(837)
Ashika Commodities & Derivatives Pvt. Ltd.	-	-	-	-	10,000	-	10,000	-
	(-)	(-)	(-)	(-)	(-)	(837)	(-)	(837)
Others	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(6,033)	(-)	(6,033)
<b>Interest on Loans Received</b>								
Ashika Share Trading Pvt. Ltd.	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(1,07,392)	(-)	(1,07,392)	(-)
Ashika Business Pvt. Ltd.	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(2,65,425)	(-)	(2,65,425)	(-)
<b>Interest on Margin Money Received</b>								
Ashika Stock Broking Ltd.	-	-	-	-	4,16,868	-	4,16,868	-
	(-)	(-)	(-)	(-)	(22,36,070)	(30,88,331)	(22,36,070)	(30,88,331)
Ashika Commodities & Derivatives Pvt. Ltd.	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(1,12,742)	(-)	(1,12,742)	(-)
<b>Rent Received</b>								
Ashika Stock Broking Ltd.	-	-	-	-	80,000	-	80,000	-
	(-)	(-)	(-)	(-)	(2,40,000)	(-)	(2,40,000)	(-)
<b>License Fee Received</b>								
Ashika Stock Broking Ltd.	-	-	-	-	3336	-	3336	-
	(-)	(-)	(-)	(-)	(3,332)	(-)	(3,332)	(-)
Ashika Global Securities Pvt. Ltd.	-	-	-	-	3,336	-	3,336	-
	(-)	(-)	(-)	(-)	(3,332)	(-)	(3,332)	(-)
Ashika Capital Ltd.	-	-	-	-	3,336	-	3,336	-
	(-)	(-)	(-)	(-)	(3,332)	(-)	(3,332)	(-)
Ashika Commodities & Derivatives Pvt. Ltd.	-	-	-	-	3,336	-	3,336	-
	(-)	(-)	(-)	(-)	(3,332)	(-)	(3,332)	(-)
Others	-	-	-	-	6,033	-	6,033	-
	(-)	(-)	(-)	(-)	(23,988)	(-)	(23,988)	(-)
<b>Interest on Loans Paid</b>								
Ashika Business Pvt. Ltd.	-	-	-	-	189,830	-	189,830	-
	(-)	(-)	(-)	(-)	(1,13,326)	(1,01,993)	(1,13,326)	(1,01,993)

# Notes

to Financial Statements as at and for the year ended 31st March, 2014

Amount in ₹

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Enterprises in which Key Management Personnel & their Relatives having Significant Influence		Total	
	Transaction Value	Balance Outstanding as on 31.03.2014	Transaction Value	Balance Outstanding as on 31.03.2014	Transaction Value	Balance Outstanding as on 31.03.2014	Transaction Value	Balance Outstanding as on 31.03.2014
Ashika Global Securities Pvt. Ltd.	-	-	-	-	14,56,438	-	14,56,438	-
	(-)	(-)	(-)	(-)	(25,16,220)	(43,792)	(25,16,220)	(43,792)
Ashika Hedge Fund Pvt. Ltd.	-	-	-	-	1,51,956	-	1,51,956	-
	(-)	(-)	(-)	(-)	(2,87,342)	(2,58,607)	(2,87,342)	(2,58,607)
Ashika Logistics Pvt. Ltd.	-	-	-	-	3,69,140	-	3,69,140	-
	(-)	(-)	(-)	(-)	(6,76,537)	(2,49,613)	(6,76,537)	(2,49,613)
Ashika Properties Pvt. Ltd.	-	-	-	-	2,46,247	-	2,46,247	-
	(-)	(-)	(-)	(-)	(1,11,156)	(1,00,040)	(1,11,156)	(1,00,040)
<b>Brokerage Paid</b>								
Ashika Stock Broking Ltd.	-	-	-	-	114,748	-	114,748	-
	(-)	(-)	(-)	(-)	(6,57,978)	(-)	(6,57,978)	(-)
Ashika Commodities & Derivatives Pvt. Ltd.	-	-	-	-	2,41,207	-	2,41,207	-
	(-)	(-)	(-)	(-)	(10,809)	(-)	(10,809)	(-)
<b>Rent Paid</b>								
Puja Sales Promotion Pvt. Ltd.	-	-	-	-	34,000	-	34,000	-
	(-)	(-)	(-)	(-)	(25,500)	(-)	(25,500)	(-)
<b>Donation</b>								
Kanchan Devi Puranmal Patni Charitable Trust	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(2,00,000)	(-)	(2,00,000)	(-)
<b>Directors Remuneration</b>								
Pawan Jain	15,00,000	-	-	-	-	-	15,00,000	-
	(15,00,000)	(1,25,000)	(-)	(-)	(-)	(-)	(15,00,000)	(1,25,000)
Directors Sitting Fees								
Daulat Jain	5,000	-	-	-	-	-	5,000	-
	(25,000)	(-)	(-)	(-)	(-)	(-)	(25,000)	(-)
<b>Demat Charges Paid</b>								
Ashika Stock Broking Ltd.	-	-	-	-	2,574	-	2,574	-
	(-)	(-)	(-)	(-)	(3,794)	(2,497)	(3,794)	(2,497)

**Note :** Figures in bracket represent figures relating to previous year.

# Notes

to Financial Statements as at and for the year ended 31st March, 2014

25. Foreign Currency Transactions : Nil (P.Y. Nil)
26. Schedule in terms of Paragraph 13 of Non-Banking Financial (Non - Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 is annexed hereto separately.
27. Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification / disclosure.

## SIGNATURE TO NOTES 1 TO 27

As per our report of even date attached  
For **P. K. SAH & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 322271E

**(P. K. Sah, FCA)**  
Partner  
Membership No. 056216

Place : Kolkata  
Date : 28th April, 2014

**Pawan Jain**  
(Managing Director)

**Amit Jain**  
(Chief Financial Officer)

**For and on behalf of the Board**

**Sagar Jain**  
(Director)

**Anju Mundhra**  
(Company Secretary)

# Schedule to the

## Balance Sheet of Non-Deposit Taking Non-Banking Financial Company

(as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)

Amount in ₹

Particulars	Amount out standing	Amount overdue
<b>Liabilities Side :</b>		
<b>(1) Loans and advances availed by the non-banking financial company inclusive of Interest accrued thereon but not paid :</b>		
(a) Debentures : Secured	-	-
Unsecured	-	-
(other than falling within the Meaning of public deposits)	-	-
(b) Deferred Credits	-	-
(c) Term Loans	-	-
(d) Inter-corporate loans and borrowing	-	-
(e) Commercial Paper	-	-
(f) Other Loans (Working Capital Facility)	751	-

Particulars	Amount Outstanding
<b>Assets Side :</b>	<b>Amount out standing</b>
<b>(2) Break-up of Loans and Advance including bills Receivables [other than those included in (4) below]</b>	
(a) Secured	512
(b) Unsecured	1,695
<b>(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities</b>	
(i) Lease assets including lease rentals under Sundry debtors:	
(a) Financial Lease	-
(b) Operating Lease	-
(ii) Stock on hire including hire charges under Sundry debtors:	
(a) Assets on hire	-
(b) Repossessed Assets	-
(iii) Other loans counting towards AFC activities	
(a) Loans where assets have been repossessed	-
(b) Loans other than (a) above	-
<b>(4) Break-up of Investments</b>	
<b>Current Investments</b>	
<b>1. Quoted :</b>	
(i) Shares : (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of Mutual Funds	-
(iv) Government Securities	-
(v) Others (Please Specify)	-
<b>2. Unquoted :</b>	
(i) Shares : (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of Mutual Funds	-
(iv) Government Securities	-
(v) Others (please specify)	-
<b>Long Term Investments :</b>	
<b>1. Quoted :</b>	
(i) Shares : (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-

Particulars	Amount Outstanding
<b>Assets Side :</b>	<b>Amount outstanding</b>
(iii) Units of Mutual Funds	-
(iv) Government Securities	-
(v) Others (please specify)	-
<b>2. Unquoted :</b>	
(i) Shares : (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of Mutual Funds	-
(iv) Government Securities	5
(v) Others (Immovable Property)	-

Category	Amount Net of Provisions		
	Secured	Unsecured	Total
<b>(5) Borrower group-wise classification of assets financed as in (2) and (3) above</b>			
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	512	1,493	2,005
<b>Total</b>	<b>512</b>	<b>1,493</b>	<b>2,005</b>

Category	Amount Net of Provisions	
	Market Value / Break up or fair Value or NAV	Book Value (Net of Provisions)
<b>(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)</b>		
1. Related Parties		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related parties	5	5
<b>Total</b>	<b>5</b>	<b>5</b>

Particulars	Amount in ₹
<b>(7) Other Information</b>	
(i) Gross Non-Performing Assets	
(a) Related Parties	-
(b) Other than related parties	806
(ii) Net Non-Performing Assets	
(a) Related Parties	-
(b) Other than related parties	604
(iii) Assets acquired in satisfaction of debt	-

For and on behalf of the Board

**Pawan Jain**  
(Managing Director)

**Sagar Jain**  
(Director)

Place : Kolkata  
Date : 28th April, 2014

**Amit Jain**  
(Chief Financial Officer)

**Anju Mundhra**  
(Company Secretary)





## **ASHIKA CREDIT CAPITAL LIMITED**

### **Registered office**

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