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ASHIKA CREDIT CAPITAL LIMITED



Growing & Sharing with You

**FIFTEENTH ANNUAL REPORT
2007-2008**

BOARD OF DIRECTORS

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

CEO & MANAGER

SRI BABULAL BAFNA - *Manager & CEO*

COMPLIANCE OFFICER

MS. ANJU LOHIYA - *Company Secretary & CFO*

AUDITORS

SAH LODHA & ASSOCIATES
CHARTERED ACCOUNTANTS
58/D, NETAJI SUBHASH ROAD
3RD FLOOR, ROOM NO. 316
KOLKATA – 700 001

BANKERS

CITI BANK
TAMILNAD MERCANTILE BANK LTD.
HDFC BANK LTD.

REGISTERED OFFICE

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

REGISTRARS & SHARE TRANSFER AGENT

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



DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their Fifteenth Annual Report of the Company together with the audited Statement of Accounts for the year ended 31st March 2008.

Financial Performance:

(Amount in Rupees Lacs)

Financial Results For The Year Ended	31st March 2008	31st March 2007
Total Income	2600.87	82.25
Profit before tax	58.64	14.62
Provision for taxation	20.27	1.81
Profit after taxation	38.37	12.81
Add: Balance brought forward from previous year	100.98	99.74
Add: Earlier year's excess Provision for I.Tax written back	3.21	-
Add : Earlier year securities transaction written off	-	(9.00)
Profit available for appropriation	142.56	103.55
Appropriations:		
Proposed Dividend (Current)	0	0
Earlier year		
Tax on Dividend	0	0
Transfer to statutory reserve	7.67	2.56
Balance Transferred to Balance Sheet	134.89	100.99

Dividend:

Even today, the NBFC sector in general, and your Company in particular, are facing challenges and uncertainties in this volatile financial market. These challenges can only be met by building up a strong net worth. Therefore, with a view to conserve resources, the Directors proposes not to recommend any dividend for the year ended on 31st March 2008, further the profit of the company for the year 2008 will be deployed for the aforesaid purpose.

Review of Operations:

The Financial year 2007-08 was a challenging one for the Company in the context of global economic slow down & depressed Capital and Financial Market scenario. In spite of various adversities coming on to the way of company, your company has been able to maintain the trend of posting a better performance as compared to last year. Profit before taxation during the year was Rs.58.64 Lacs as against Rs 14.62 lacs in the previous year. New client



engagements are being aggressively initiated, recruitment plans are being implemented and the physical infrastructure equipped with all modern techniques and amenities has been set up, with a view to be in a position to service anticipated growth in business.

Auditors' Report:

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

Business Strategy:

The financial services sector is one of the key growth area of the economy. Moreover, a strong growth potential of Indian Economy and a healthy Capital Market Environment provides more opportunities to existing players of the financial services sector. Your Company intends to actively pursue growth opportunities in the fast growing financial services sector in the economy through expanding its existing clientele base and a judicious investment approach to tap the benefit offered by the robust Indian Capital Markets. New innovative ideas have been implementing in the organization to move a step ahead in this competitive edge. Further to implement the ideas and plans, your company is to provide best quality services in Investment Banking, including inter corporate deposits, corporate consultancy etc.

Subsidiary Companies:

Your Company has one subsidiary company and two fellow subsidiary companies. As required under section 212 of the Companies Act, 1956, the Audited Statement of Accounts, and Directors' and Auditors' Report thereon for the year ended 31st March 2008 are annexed herewith.

Statutory and Other Information:

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

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

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

Corporate Governance :

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

Directors:

Pursuant to the provision of section 255 of the Companies Act, 1956 and Article 126 of the Articles of Association of the Company, Mr. Pawan Jain and Mr. R.S.Agarwal, Directors of the Company is liable to retire by rotation in the forthcoming Annual General Meeting of the Company and being eligible, offers themselves for reappointment.

Manager :

Mr.Babulal Bafna is acting as a Manager & CEO of the company with effect from 1st April 2007 for a period of 3 years. His expertise knowledge and experience has contributed to the success and the growth of the business.



Auditors:

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

Directors Responsibility Statement:

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

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

Acknowledgements:

Lastly your directors appreciate to the management team and executive staff who are instrumental to the growth of the company. They also place on record their deep admiration and acknowledge with 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 of the Company.

For and on behalf of the Board of Directors

Place: Kolkata
Date: 18th June, 2008

(Pawan Jain)
Chairman-Cum-Director



REPORT ON CORPORATE GOVERNANCE

(Forming Part of The Directors' Report for the year ended 31st March 2008)

“**Ashika Credit Capital Limited** believe that building a culture of compliance is more than meeting regulations and standards. The Company has always been proactive in meeting mandated standards and practicing corporate governance in spirit.”

- Extract from ICSI Citation while conferring the 'National Award for Excellence in Corporate Governance, 2006' on the Company.

Corporate Governance at ACCL cares for overall well-being and welfare of all constituents of the system & consider shareholders, in every business decisions. ACCL believe that building its basic tenets are adherence to ethical business practices, responsibility and accountability, honesty & transparency in the functioning of the management & further complies with board, true and complete timely disclosure and compliance of law.

A report on the implementation of the Corporate Governance of the Listing Agreement by the company is provided below :

a) Company's Philosophy on corporate governance

Corporate Governance comprises a unique combination of factor like regulations, compliances, values, political and economical environments, voluntary practices and disclosures. The basic object of corporate governance is to enhance and maximize shareholder value and protect the interest of other stakeholders. It's a way of life that necessitates taking into account the stakeholders interests in every business decision.

The company's philosophy on corporate governance envisages attainment of the highest level of transparency, accountability and equity in all facet of its operations and in all its interactions with its stakeholders including shareholders, employees, lenders and the government.

Ashika Credit Capital Limited is committed to good corporate governance supported by appropriate transparent system and practices to protect, promote and safeguard the interest of all its stakeholders.

Given below are the company's corporate governance policies and practices for 2007-2008. 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 on its board which is most essential to separate the two main Board functions viz. governance and management.

Composition

The Article Number 124 of Article of Association provide for a minimum of 3 and a maximum of 12 directors.



ASHIKA CREDIT CAPITAL LIMITED

As on 31st March 2008, the board of Ashika Credit Capital Limited consisted of 7 directors and composition of the board of directors is as under: -

Name of Director	Designation	Category	Shareholding in Company (no. of shares)	No. of Directorships held in all Company*	No. of Committees Position
Mr. Pawan Jain	Chairman-cum-Director	Promoter, Non-Executive	17,19,320 in capacity as karta of Pawan Jain (HUF)	14	2
Mr. Daulat Jain	Director	Promoter, Executive	5,25,000 in capacity as Karta of Daulat Jain (HUF)	14	5 (Chairman of Two Committee)
Mr. Kashi Prasad Khandelwal	Director	Non Executive, Independent Director	—	2	2
Mr. Ashok Agarwal	Director	Non Executive, Independent Director	—	6	2 (Chairman of one Committee)
Mr. Sagar Jain	Director	Non Executive, Independent Director	—	7	2 (Chairman of two Committee)
Mr. R. S. Agarwal	Director	Non Executive, Independent Director	—	—	—
Mr. Keshav Kumar Saraf	Director	Non Executive, Independent Director	—	3	—

* Including Ashika Credit Capital Limited and excluding Sec. 25 and Foreign Companies.

Board Procedure

During the year 2007-2008, the board of directors met five times on the following dates: 21st April, 2007; 29th June, 2007; 30th July 2007; 30th October 2007; 15th January 2008. 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 2007-2008.

Name of Director	Meeting attended	Whether attended last AGM on 28 th September 2007
Mr. Pawan Jain	5 /5	Yes
Mr. Daulat Jain	5 /5	Yes
Mr. Kashi Prasad Khandelwal	5 /5	No
Mr. Ashok Agarwal	2 /5	No
Mr. Sagar Jain	4 /5	No
Mr.R.S.Agarwal	4/5	Yes
Mr. Keshav Kumar Saraf	4 /5	No



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 do not exceed four calendar months to review the financial results and other item of the agenda and. 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 Department in the company communicates to 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 quarterly review the compliance report prepared and placed by Practicing Company Secretary and In- House Company Secretary in respect of the laws applicable to the company.

c) Code of conduct for Directors and Senior Management

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 herein below.

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

This is to certify that in pursuance of provision of above clause of Listing Agreement, a Code of Conduct for the Directors and Senior Management Personnel of the company has been approved by the board at its meeting held on 25th January, 2006. The Board of Director took note of the said code at its meeting held on 18th April 2008 and the same has been circulated to all the members of the Board and other senior management personnel.

All Directors and senior management personnel of the company have affirmed having complied with the said Code of Conduct for the period 31st March 2008.

BABULAL BAFNA
(CHIEF EXECUTIVE OFFICER)

**d) Audit Committee**

The Audit Committee of the Company was reconstituted at the Board Meeting held on 27th day of April 2005. It inter alia includes the overview of the company's financial reporting processes, review of the half yearly and annual financial statements, the adequacy of internal control systems, the financial and risk management policies etc.

Composition, Meetings and Attendance thereat

The Audit Committee of the Board comprises of three Directors. The Committee met five times during the year and attendance of the members at these meetings was as follow: -

Name of Director	Status	Meeting attended (Y/N)				
		21.04.07	29.06.07	30.07.07	30.10.07	15.01.08
Mr. Sagar Jain	Chairman, Non Executive and Independent	Y	Y	Y	Y	Y
Mr. Kashi Prasad Khandelwal	Chairman, Non Executive and Independent	Y	Y	Y	Y	Y
Mr. Daulat Jain	Executive	Y	Y	Y	Y	Y

Terms of Reference

The terms of Reference of the Audit Committee are in accordance with those specified in clause 49 of the Listing Agreement.

e) Share Transfer-cum-shareholder/ Investor Grievance Committee

The company has formed a Investor'/Shareholders' Grievance Committee under the chairmanship of Mr. Ashok Agarwal, an independent director. Mr. Daulat Jain and Mr. Kashi Prasad Khandelwal are the other members of the committee. The meeting of the committee are held to review and resolve all the cases which comes out in the normal course of business. The committee met as and when required during the year. The monthly review of activities of share transfer agent is undertaken regularly by the company secretary.

Compliance Officer

Ms Anju Lohiya – Company Secretary is Compliance Officer of the company.

Role & Objectives

The role & objectives of the committee are as under:

- Oversee share transfer and other shareholder related issue like non-receipt of declared dividends, annual reports etc.
- Resolve case related to investors' grievances.



The shareholder complaints received and resolved during the year April 1, 2007 to March 31, 2008 are as under:

Sr.	Type of complaint	Pending as on 31.03.07	Total Complaint Received	Complaint Redressal	Redressal under process	Pending as on 31.03.08
1.	Letter received from SEBI	Nil	Nil	Nil	Nil	Nil
2.	Letter received from Stock Exchange	Nil	Nil	Nil	Nil	Nil
3.	Letter received from Shareholder	Nil	Nil	Nil	Nil	Nil
4.	Registrar & Transfer Agent	Nil	Nil	Nil	Nil	Nil

f) Remuneration Committee :

The Remuneration Committee of the Board comprises of three Directors.

Sr. No.	Name of the Director	Status
1.	Mr. Sagar Jain	Chairman, Non Executive and Independent Director
2.	Mr. Daulat Jain	Executive Director
3.	Mr. Ashok Agarwal	Non Executive and Independent Director

The Remuneration committee meets as and when need arises. The remuneration policy of the company is directed towards rewarding performance, based on review of achievements on a periodical basis.

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

Sitting Fees paid to the Executive and Non executive Directors for the year ended 31.03.08.

Name of Director	Sitting Fees
Mr Pawan Jain	20,000
Mr. Daulat Jain	20,000
Mr. Sagar Jain	16,000
Mr. K.P. Khandelwal	20,000
Mr. Ashok Agarwal	8,000
Mr. R.S. Agarwal	16,000
Mr. K.K. Saraf*	16,000

(Mr K.K. Saraf was invitee for the meeting held on 21st April 2007, as his appointment as Additional director was confirmed in the said meeting .)

**g) Subsidiary Company**

Our company has a wholly owned unlisted subsidiary company - " M/s. ASHIKA CAPITAL LIMITED" carrying out Merchant Banking and Underwriting activities. The Audit Committee reviews the financial statements of the subsidiary company.

The updates of major decisions of the unlisted subsidiary companies are regularly presented before the audit committee and the board. Following are the key points of subsidiaries, which are regularly taken up in the audit committee/board meeting:

- Nomination of directors on the board of each subsidiary;
- Major dealings of subsidiary investment, fixed assets, loan etc;
- Compliances by subsidiary with all applicable laws of that country;

Business plan of each subsidiary and its periodic updates to the company's board.

h) General Body Meetings

The last three Annual General Meetings of the company were held as per details given below :

Year	Date	VENUE	TIME	No. of Special Resolutions passed
2006-2007	28 th Sept., 2007	" TRINITY ", 226/1 A.J.C. Bose Road, 7 th Floor, Kolkata-700020	11.00 AM	Nil
2005-2006	31 st Aug., 2006	" TRINITY ", 226/1 A.J.C. Bose Road, 7 th Floor, Kolkata-700020	11.00 AM	Nil
2004-2005	31 st Aug., 2005	7, B.B. Ganguly Street, 4th Floor Kolkata-700012	11.00 AM	Nil

Note: The Company shall comply with the requirements of using postal ballot as and when required.

i) Disclosures:

1. Disclosures on materially significant related party transaction .i.e. transaction of material nature, with its promoter, directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large.
 - There are no materially significant transactions made by the company with its promoters, directors or the management, their subsidiaries or relatives etc. which have potential conflict with the interest of the company at large.
2. Details of non compliance y the company, penalties and strictures imposed on the company by stock exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three years.
 - None



3. Whistle Blower Policy

- The company do not have any Whistle Blower Policy. However, any employee would not be denied access to the Audit and Finance Committee.

j) Means of Communication

Annual Report in respect of each financial year are sent to the shareholders and each report contains the Annual Accounts of the company in respect of the financial year with the Director's and Auditor's Reports. Also included in each Annual Report is the Notice convening the Annual General Meeting, the financial year's, Corporate Governance Report and Cash Flow Statement together with the corresponding Reports of the Auditors, the consolidated Accounts and the Auditor's Report.

The Financial Results are being published in The Business Standards one of the leading national (English) newspaper and in Arthik Lipi , Vernacular newspaper (Bengali).

The Financial Results of the company were officially released or would be released in accordance with the following schedule :

Sr. No.	Nature of Communication	Media used for Publication	Dates of Publication	Forwarded/to be forwarded to Stock Exchange on
1.	Quarterly Unaudited Financial Statements (First Quarter 07-08)	Newspaper	31-07-2007	30-07-2007
2.	Half yearly Unaudited Financial Statements (Second Quarter 07-08)	Newspaper	31-10-2007	30-10-2007
3.	Quarterly Unaudited Financial Statements (Third Quarter 07-08)	Newspaper	16-01-2008	15-01-2008
4.	Publication of Annual Audited Results for The year ended 31 st March 2008. In accordance with Clause 41 of the Listing Agreement with the Stock Exchanges	Newspaper	21-06-2008	19-06-2008

The Management Discussion and Analysis in respect of the Financial Year is a part of the Director's Report.



k) Mandatory Requirement

The company has complied with the mandatory requirements as stipulated in clause 49 of the listing agreements with the exchanges.

l) Compliance with Non Mandatory Requirements of Clause 49

Adoption of non-mandatory requirements is under active consideration of the company.

m) Compliance Certificate of the 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.

n) Going Concern

The directors are satisfied that the company has adequate resources to continue its business for the foreseeable future and consequently consider it appropriate to adopt the going concern basis in preparing financial statements.

o) Additional Shareholder Information :

- 1. Registered & Corporate Office** : "Trinity", 226/1, A.J.C. Bose Road
Kolkata-700 020.
- 2. Date of Incorporation** : March 8, 1994
- 3. Registration No./ CIN** : L671220WB1994PLC062159
- 4. Date, Time and venue of 15th AGM** : 29th Day of September, 2008 at
'Trinity', 226/1, A.J.C. Bose Road
Kolkata – 700 020
at 4 P.M. The notice of the
AGM is being sent to the members
along with its annual report.
- 5. Date of Book Closure** : 22nd Day of September, 2008 to
29th day of September, 2008
(both days inclusive)
- 6. Dividend Payout** : Nil.
- 7. Financial Year** : April 01, 2007 – March 31, 2008
- 8. Listing Payment** : The Annual Listing fees have been
paid and there is no outstanding
payment towards the stock
exchanges, as on date.

ASHIKA CREDIT CAPITAL LIMITED



- 9. Listing on Stock Exchanges** : The Company's equity shares are listed on The Calcutta stock Exchange Association Limited. 7, Lyons Range, Kolkata - 700001
- 10. Stock Code** : ASHIKACR
- 11. Registrar & Share Transfer Agent** : Maheshwari Datamatics Private Ltd. (Share Transfer & Communication regarding share certificates, dividends and change of Address) 6, Mango Lane, 2nd Floor, Kolkata – 700001
Tel no: 91-33-2243 5029/5809
Fax no: 91-33-2248 4787
- 12. Stock Market Data** : There has been no stock trading during the year.
- 13. Dematerialisation of Shares & Liquidity** : The company's shares are available for trading in the depository systems of both NSDL & CDSL.
- 14. Outstanding GDR/Warrants** : None

15. Distribution of shareholding as at 31.03.08

Slab of shareholding	No. of Shareholders	%	Number of Shares	%
1-500	41	19.1589	7991	0.1600
501-1000	32	14.9533	30105	0.6027
1001-2000	43	20.0935	76150	1.5246
2001-3000	16	7.4766	43300	0.8669
3001-4000	9	4.2056	33800	0.6767
4001-5000	7	3.2710	34500	0.6907
5001-10000	11	5.1402	92150	1.8449
10001 & above	55	25.7009	4676830	93.6335
Total	214	100	4994826	100



ASHIKA CREDIT CAPITAL LIMITED

16. Shareholding pattern as on 31.03.2008

Shareholding Pattern	Number of Shares	% of Shareholding
Indian Promoters & their Associates	2447320	48.9971
Mutual Funds & UTI	-	-
Banks, Financial Institutions, Insurance Companies (Central & State Govt. Institutions/ Non-Govt. Institutions)	-	-
Other Private Corporate Bodies	1492553	29.882
Resident Individuals (Public)	1054953	21.1209
Sub Total	2547506	51.0029
Grand Total	4994826	100.00

17. Addresses for Investor correspondence

Company Address:	Registrar and Transfer Agent:
Secretarial Department M/s. Anju Lohiya(Company Secretary) "Trinity", 226/1, A.J.C. Bose Road Kolkata – 700 020. Tel No. (033) 2283-9952 Fax No. (033) 2289-1555	Maheshwari Datamatics Private Limited (Share Transfer & Communication regarding share certificates, dividends and change of Address) 6, Mango Lane, 2nd Floor, Kolkata-1 Tel no: 91-33-2243 5029/5809 Fax no: 91-33-2248 4787

For and on behalf of the Board of Directors

For **Ashika Credit Capital Limited**

Place: Kolkata
Date: 18th June, 2008

(Pawan Jain)
Chairman-Cum-Director



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

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

1. We have reviewed the Balance sheet as at 31st March, 2008 and Profit & Loss Account for the year ended 31st March 2008, and all its schedules and notes on accounts as well as the Cash Flow statements and the Director's report;
2. Based on our knowledge and information, these statements do not contain any untrue statement of material fact or omits to state a material fact or does not contain any statement that might be misleading;
3. Based on our knowledge and information the financial statements and other financial information included in this report present in all material respects a true and fair view of the company affairs, the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report, and are in compliance with the existing Accounting Standards and / or applicable laws and regulations;
4. To the best of our knowledge and belief no transactions entered into by the company during the aforesaid period are fraudulent, illegal or violative of the company's' code of conduct;
5. We are responsible for establishing and maintaining disclosure, controls and procedures and internal controls over financial reporting for the company and we have;
 - i. Evaluated the effectiveness of the company's disclosure, controls and procedures over financial reporting and
 - ii. Disclose in this report any change in the company's internal control over financial reporting that occurred during the company's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting;
6. We have disclosed based on our most recent evaluation, wherever applicable, to the Company's Auditor and the Audit Committee of the company's Board of Director's;
 - i. All Deficiencies in the design or operation of internal controls, which could adversely affect the company's ability to record, process, summarise and report financial data and have identified for the company's Auditors, any material weakness in internal control over financial reporting including any corrective actions with regard to deficiencies;
 - ii. Significant Changes in internal controls during the period covered by this report, if any;
 - iii. All significant changes in Accounting Policies during the year, if any, and the same have been disclosed in the notes to the financial statements;
 - iv. Instances of significant fraud of which we are aware that involves management or other employees who have a significant role in the company's internal control system;
7. We affirm that we have not denied any personnel, access to the audit committee of the company (in respect of matters involving alleged misconduct).

Date : 18th June 2008

BABULAL BAFNA
*Chief Executive Officer
& Manager*

ANJU LOHIYA
*Chief Financial Officer
Company Secretary*



AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

We have examined the compliance of the conditions of corporate governance by Ashika Credit Capital Limited, of 226/1, A. J. C. Bose Road, 7th Floor, Kolkata - 700 020 for the year ended on 31st March, 2008, as stipulated in clause 49 of the Listing Agreement entered into by the company with the stock exchange.

The compliance of the conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the company for ensuring the compliance with 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 clause 49 of the above-mentioned Listing Agreement.

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

For **Sah Lodha & Associates**
Chartered Accountants

Place: Kolkata
Date: 18th June, 2008

(P. K. SAH, FCA)
Partner
Mem. No. 56216



ANNEXURE TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION & ANALYSIS REPORT

OVERVIEW:

The NBFC sector in India is represented by mix of few large companies with nationwide presence and large number of small and medium sized companies with regional focus. The Operations of NBFCs are being regulated and supervised by regulations of Reserve Bank of India. The regulatory and supervisory framework for NBFCs have been continuously strengthened in order to ensure strong and healthy functioning of the financial services sector. This sector in India has become very matured with reduced dependence on acceptance of public deposits as part of its overall funding. The NBFC sector plays a vital role in funding various projects and fulfill the working capital requirement of the corporate sector for long term as well as short-term basis. NBFCs provide tailor made services with least hassles.

INDUSTRY STRUCTURE AND DEVELOPMENT:

Several factors have contributed to the rapid growth of NBFCs in India. The activities of NBFCs in India over a period have undergone a qualitative change through functional specialization in diverse lending activities viz. equipment lease finance, hire purchase finance, loan, investment, chit fund, housing finance, stock broking, merchant banking, primary dealership, micro finance, etc. Comprehensive regulation of the banking system on the one hand and relatively lower degree of regulation over NBFCs on the other have significantly contributed to their rapid growth. In addition, the Reserve Bank has been strengthening the supervisory framework for NBFCs to ensure sound and healthy functioning

OPPORTUNITIES AND THREATS:

As the market is overall on the growth path together with optimistic foreign investors, various opportunities are coming on the way which has contributed vastly for the rapid growth of NBFCs. As there are various limitation on issuance of License by Regulatory Authority, so many Foreign companies are looking to enter the Financial Market in India through their strategic alliance with NBFCs. In India NBFCs have a favorable prospect. They generally create assets for the business and are successful in generation of funds at a lower rate and make their profitable deployment. Their can also be increase in demands of funds by the corporate sectors due to the economic indicators such as low core interest rates, good export performance and balance of payment position, low core inflation and proper forex reserves. Your company is confident to utilize the growth opportunities available in each of its existing business areas and will also be expanding the focus of activities to new areas, arising from the strong growth momentum in the economy.

The NBFC sector faces competitive pressure from the banking sector and financial institution with comparatively low cost of funds at their disposal. The spreads in the lending business have also narrowed considerably due to increased competition in this sector. A dedicated customer base and adoption of prudential business strategies would help the Company to perform consistently despite such stiff competition and difficult conditions.



HUMAN RESOURCES:

The company recognizes the Intellectual capital as its most valuable asset and constantly strives to strategically align personal goals and organizational growth. It encourages open channels of communication, blending the individuals vision with that of the organization and building a shared understanding of how each team member can contribute to the Company's success. It aims to build a strong corporate culture on core values such as safety, integrity, innovation and teamwork, thus creating a vision-guided, values-driven organization that focuses on employee fulfillment and leadership development

Employee relations continued to be cordial during the year.

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

OUTLOOK

The financial services sector is one of the key growth area of the economy. Moreover, a strong growth potential of Indian Economy and a healthy Capital Market Environment provides more opportunities to existing players of the financial services sector. The Company intends to actively pursue growth opportunities in the fast growing financial services sector in the economy through expanding its existing clientele base and a judicious investment approach to tap the benefit offered by the robust Indian Capital Markets such as marketing of financial instrument, short term financing, and loan syndication activities etc. New innovative ideas have been implementing in the organization to move a step ahead in this competitive edge.

RISK & CONCERNS :

In spite of a fast integrating global economy, there are different risks associated with different markets. For example, while in some markets there is higher political risk; in others the risk of an economic downturn is higher. ACCL being an NBFC is exposed to credit risk, liquidity risk and interest rate risk. The company has in place suitable mechanism to effectively reduce such risk. Risk Management framework entails regular review of risk status and risk exposure in the areas of business, operations, and the various initiatives taken by the company to mitigate material risks through effective information system. The company recognizes the importance of risk management on account of increasing competition and market volatility in the financial service business.

INTERNAL CONTROL SYSTEM AND ADEQUACY:

The company has adequate internal control system commensurate with its size and nature of business and suitable internal control procedures, optimum resource utilization and compliance with the various statutes is ensured. Your Company has installed an adequate system of internal controls in all spheres of its activity The Management periodically reviews the internal controls and takes appropriate steps to implement the suggestions and observations needed to bring about better financial efficiency and effectiveness. The Company ensures adherence to all internal control policies and procedures as well as compliance with

ASHIKA CREDIT CAPITAL LIMITED



all regulatory guidelines. The Audit Committee reviews the adequacy of internal control system on regular basis and follow up actions are then immediately implemented.

OPERATIONAL PERFORMANCE

The company is presently concentrating on its core business as an NBFC company. The strengthening of the management team and the improved operations through setting up of well established systems and procedure during the year have yielded significant results which has helped the company to achieve a faster growth.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis regarding the Company's objectives, performance and outlook are within the scope of applicable laws and regulations. Actual performance might differ from those either expressed or implied.

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

Place : Kolkata
Date : 18th June, 2008

(Pawan Jain)
Chairman cum Director



AUDITORS' REPORT

To The Members of
ASHIKA CREDIT CAPITAL LIMITED

1. We have audited the attached Balance Sheet of **Ashika Credit Capital Limited** (the 'Company') as at 31st March, 2008 and the relative Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standard generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also include assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order 2003, issued by the Central Government of India in accordance to section 227(4A) of the Companies Act 1956, and on the basis of our checks as we considered appropriate and according to information and explanations given to us during the course of our audit, we enclose in the Annexure, a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that :
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purposes of the audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors as on 31st March 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of sub section 1(g) of section 274 of the Companies Act, 1956;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the schedules and notes thereon

ASHIKA CREDIT CAPITAL LIMITED



and attached thereto give the information required by the Companies Act, 1956 in conformity with the accounting principles generally accepted in India and give a true and fair view:-

- i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2008;
- ii) In the case of Profit and Loss Account of the profit for the year ended on 31st March, 2008; and
- iii) In the case of Cash Flow Statement, of the cash flows for the year ended on 31st March, 2008.

For **SAH LODHA & ASSOCIATES**
Chartered Accountants

(**P. K. SAH, FCA**)
Partner
Mem. No. 56216

Place : Kolkata
Dated : 18th June, 2008



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

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

- (i) (a) The Company, we have been informed, has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As per information and explanations given to us, the management at reasonable intervals under a phased programme has physically verified the fixed assets. We have been informed, no material discrepancies have been found on such physical verifications.
- (c) During the year, the Company has not disposed off any substantial part of its fixed assets that would affect the going concern.
- (ii) (a) As explained to us, stock in trade of shares & securities was physically verified during the year by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of stock in trade followed by the management were reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of stock in trade and no material discrepancies were noticed on physical verification.
- (iii) (a) The Company has granted unsecured loans to four companies covered in the Register maintained u/s.301 of the Companies Act, 1956. The maximum amount involved are Rs.1422.04 lacs and the year end closing are Rs.368.43 lacs ;
- (b) The rate of interest and other terms and conditions of such unsecured loans given by the company, are prima-facie not pre-judicial to the interest of the Company;
- (c) The receipt of the principal amount and interest are as per stipulation;
- (d) There are no overdue amount in respect of such loans granted by the Company;
- (e) The Company has taken unsecured loans from two companies covered in the Register maintained u/s.301 of the Companies Act, 1956. The maximum amount involved during the year of Rs.122.00 lacs and the amount outstanding as on the balance sheet date is 51.75 lacs ;
- (f) In our opinion, the rate of interest and other terms and conditions of such unsecured loans taken by the company as aforesaid, are prima-facie, not prejudicial to the interest of the Company;
- (g) The payment of the principal amount and interest are regular.



- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and shares and securities held as stock in trade and for sale of shares etc. and services. We have not observed any continuing failure to correct major weaknesses in such internal controls.
- (v) (a) According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so recorded in the register.
(b) In our opinion and according to the information and explanations given to us, where each of such transactions (excluding loans reported in paragraph (iii) above) is in excess of Rs.5 Lacs in respect of any party, the transactions have been made at prices which are, prima-facie, reasonable having regard to the prevailing market prices at the relevant time;
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public within the meaning of the section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the companies (Acceptance of Deposits) Rules, 1975 with regard to the deposit accepted from the public.
- (vii) We have informed, the company does not have formal internal audit system and the internal control is exercised departmentally;
- (viii) According to the information and explanations given to us, the maintenance of cost records prescribed by the Central Government under clause (d) of sub-section (1) of Section 209 of the Act is not applicable to the Company.
- (ix) (a) According to the records of the Company and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Service Tax, Cess and other material statutory dues as applicable to it with the appropriate authorities during the year.
(b) According to the information and explanations given to us, there is no amount payable in respect of the aforesaid statutory dues that have been deposited on account of any dispute.
- (x) The Company does not have any accumulated losses at the end of the financial year and the Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year;
- (xi) The Company has no dues of financial institution, bank or debenture holders ;
- (xii) According to the information and explanation given to us, the Company has maintained adequate documents and records in relation to the loans granted on the basis of security by way pledge of shares.



ASHIKA CREDIT CAPITAL LIMITED

- (xiii) Clause (xiii) of the Order is not applicable to the Company as the Company is not a chit fund Company or nidhi / mutual benefit fund / society.
- (xiv) The Company has maintained proper records of transactions and contracts in respect of dealing and trading in shares, securities etc. and timely entries have been made therein. The company in its own name has held the aforesaid securities, except to the extent of the exemption granted under Section 49 of the Companies Act'1956.
- (xv) The Company has given guarantee (as a joint guarantor along with three other persons) for loan taken by M/s. Ashika Stock Broking Ltd. from a bank amounting to Rs. 10 Crore. According to the information and explanation given to us by the management, the same is not prima facie prejudicial to the interest of the Company.
- (xvi) According to the information and explanations given to us, in our opinion, the Company have neither obtained nor applied any term loans during the year.
- (xvii) On the basis of our review of utilization of funds, we are of the opinion that the funds raised on short term basis have, prima facie, not been used for long term investment by the Company.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures. Accordingly clause (xviii) of the said Order is not applicable.
- (xx) The Company has not raised any money by public issues during the year under review.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For **SAH LODHA & ASSOCIATES**
Chartered Accountants

Place : Kolkata
Date: 18th June, 2008

(**P. K. SAH, FCA**)
Partner
Mem. No. 56216

ASHIKA CREDIT CAPITAL LIMITED



BALANCE SHEET AS AT 31ST MARCH, 2008

	SCHEDULES	As at 31st March, 2008 Rs.	As at 31st March, 2007 Rs.
<u>SOURCES OF FUNDS</u>			
<u>SHAREHOLDERS' FUNDS</u>			
Share Capital	1	49,964,955.00	49,964,955.00
Reserves and Surplus	2	47,338,396.88	43,180,189.79
		97,303,351.88	93,145,144.79
<u>LOAN FUNDS</u>			
Unsecured Loans	3	5,192,080.00	128,971,272.00
DEFERRED TAX LIABILITIES		78,060.63	75,882.47
Total		102,573,492.51	222,192,299.26
<u>APPLICATIONS OF FUNDS</u>			
<u>FIXED ASSETS</u>			
Gross Block	4	1,259,793.00	1,259,793.00
Less : Depreciation		655,574.64	645,370.64
Net Block		604,218.36	614,422.36
INVESTMENTS (At Cost)	5	58,151,000.00	58,151,000.00
<u>CURRENT ASSETS, LOANS & ADVANCES</u>			
Stock in Trade	6	539,007.25	-
Sundry Debtors	7	5,086,973.71	131,100.00
Cash & Bank Balances	8	18,363,720.72	1,118,569.75
Loans & Advances	9	75,372,212.87	163,368,393.55
		99,361,914.55	164,618,063.30
<u>LESS :- CURRENT LIABILITIES AND PROVISIONS</u>			
Current Liabilities	10	53,518,212.40	616,760.40
Provisions	11	2,025,428.00	574,426.00
		55,543,640.40	1,191,186.40
NET CURRENT ASSETS		43,818,274.15	163,426,876.90
Total		102,573,492.51	222,192,299.26
ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS	18		

SCHEDULES '1' TO '11' AND '18' REFERRED TO ABOVE FORM AN INTEGRAL PART OF THE BALANCE SHEET

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

Place : Kolkata	P. K. SAH, FCA Partner	<i>For and on behalf of the Board</i>
Dated : 18th June, 2008	For and on behalf of Sah Lodha & Associates Chartered Accountants	Pawan Jain Director Daulat Jain Executive Director Babulal Bafna Chief Executive Officer Anju Lohiya Company Secretary



ASHIKA CREDIT CAPITAL LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

	SCHEDULES	Year ended 31st March, 2008	Year ended 31st March, 2007
		Rs.	Rs.
INCOME			
Sale of Shares etc.		226,632,568.07	-
Profit from Derivatives / Intra day Trading in Shares etc.		20,604,000.80	72,089.86
Interest Income	12	12,722,821.75	6,899,951.00
Profit on Sale of Investments in Shares / Units of Mutual Funds		55,120.80	1,253,000.00
Other Income	13	<u>72,739.46</u>	<u>-</u>
		<u>260,087,250.88</u>	<u>8,225,040.86</u>
EXPENDITURE			
Purchase of Shares etc.		249,440,985.75	-
(Increase)/Decrease in Stock of Shares etc.	14	(539,007.25)	-
Other Direct Expenses	15	1,056,047.29	9,691.81
Administrative & Other Expenses	16	1,677,916.84	4,540,868.40
Loss on Sale of Fixed Assets		-	170,489.98
Auditors' Remuneration		71,911.00	69,625.40
		<u>251,707,853.63</u>	<u>4,790,675.59</u>
PROFIT BEFORE INTEREST, DEPRECIATION & TAXATION		8,379,397.25	3,434,365.27
LESS : Interest Paid	17	<u>2,505,021.00</u>	<u>1,929,925.00</u>
PROFIT BEFORE DEPRECIATION AND TAXATION		5,874,376.25	1,504,440.27
LESS : Depreciation		<u>10,204.00</u>	<u>42,169.00</u>
PROFIT BEFORE TAXATION		5,864,172.25	1,462,271.27
LESS : Provision for Taxation			
- Current Tax	2,010,113.00		
- Deferred Tax Liabilities / (Assets)	2,178.16		
- Fringe Benefit Tax	<u>15,315.00</u>		
PROFIT AFTER TAXATION		<u>3,836,566.09</u>	<u>1,281,240.89</u>
Add/(Less) : Securities Transaction Tax relating to the earlier year written off		-	(900,358.86)
Add/(Less) : Earlier Year's excess Provision For I.Tax Written Back		321,641.00	
Add/(Less) : Balance Brought Forward from Previous Year		<u>10,098,269.39</u>	<u>9,973,635.36</u>
Profit Available for Appropriation		<u>14,256,476.48</u>	<u>10,354,517.39</u>
APPROPRIATIONS			
Transfer to Statutory Reserves		767,310.00	256,248.00
Balance Carried Over to Balance Sheet		<u>13,489,166.48</u>	<u>10,098,269.39</u>
		<u>14,256,476.48</u>	<u>10,354,517.39</u>
Earnings per Share (in Rs.)		0.77	0.26

[Refer note no. B (9) in Schedule 18]

ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS

18

SCHEDULES '12' TO '18' REFERRED TO ABOVE FORM AN INTEGRAL PART OF THE PROFIT & LOSS A/C

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

<p>Place : Kolkata Dated : 18th June, 2008</p>	<p>P. K. SAH, FCA <i>Partner</i> For and on behalf of Sah Lodha & Associates <i>Chartered Accountants</i></p>	<p><i>For and on behalf of the Board</i> Pawan Jain Director Daulat Jain Executive Director Babulal Bafna Chief Executive Officer Anju Lohiya Company Secretary</p>
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**SCHEDULES TO THE ACCOUNTS AS AT AND FOR THE YEAR ENDED
ON 31ST MARCH, 2008**

	As at 31st March 2008 <u>Rs.</u>	As at 31st March 2007 <u>Rs.</u>
SCHEDULE - 1		
SHARE CAPITAL		
Authorised		
52,50,000 Equity Shares of Rs.10/- each	52,500,000.00	52,500,000.00
Issued & Subscribed		
50,01,000 Equity Shares of Rs.10/- each	50,010,000.00	50,010,000.00
Paid Up		
Fully Called and paid up in cash		
49,94,826 Equity Shares of Rs.10/- each	49,948,260.00	49,948,260.00
Add : Forfeited shares	16,695.00	16,695.00
	49,964,955.00	49,964,955.00
 SCHEDULE - 2		
RESERVES & SURPLUS		
Share Premium Account		
Balance as per Last Account	(A) 29,187,000.00	29,187,000.00
Statutory Reserves		
Balance as per Last Account	3,894,920.40	3,638,672.40
Add : Transferred during the year	767,310.00	256,248.00
	(B) 4,662,230.40	3,894,920.40
Profit & Loss Account		
Surplus Balance	(C) 13,489,166.48	10,098,269.39
	(A+B+C) 47,338,396.88	43,180,189.79
 SCHEDULE - 3		
UNSECURED LOANS		
<i>(including Interest Accrued and due)</i>		
From Bodies Corporates	5,192,080.00	128,971,272.00



SCHEDULES TO THE ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2008

**SCHEDULE - 4
FIXED ASSETS**

PARTICULARS	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK		
	As at 1st April, 2007 (Rs.)	Additions/ Adjustments (Rs.)	Withdrawals/Adjustments (Rs.)	As at 31st Mar 2008 (Rs.)	As at 1st April 2007 (Rs.)	For the period (Rs.)	Deductions/Adjustments (Rs.)	As at 31st Mar 2008 (Rs.)	As at 31st Mar 2007 (Rs.)
BUILDING	626,110.00	-	-	626,110.00	43,371.79	10,204.00	-	572,534.21	582,738.21
PLANT & MACHINERY	-	-	-	-	-	-	-	-	-
FAX MACHINE	-	-	-	-	-	-	-	-	-
TYPE MACHINE	-	-	-	-	-	-	-	-	-
AIR CONDITIONER	-	-	-	-	-	-	-	-	-
CELLULAR PHONE	-	-	-	-	-	-	-	-	-
PAGER	-	-	-	-	-	-	-	-	-
TELEPHONE	-	-	-	-	-	-	-	-	-
XEROX MACHINE	-	-	-	-	-	-	-	-	-
CCTV SYSTEM	-	-	-	-	-	-	-	-	-
AUDIO SYSTEM	-	-	-	-	-	-	-	-	-
TIME ATTENDANING SYSTEM	-	-	-	-	-	-	-	-	-
MOTOR CAR	-	-	-	-	-	-	-	-	-
COMPUTER & PRINTER	633,683.00	-	-	633,683.00	601,998.85	-	-	31,684.15	31,684.15
FURNITURE & FIXTURES	-	-	-	-	-	-	-	-	-
FLING CABINET	-	-	-	-	-	-	-	-	-
FURNITURE	-	-	-	-	-	-	-	-	-
EPBX MACHINE	-	-	-	-	-	-	-	-	-
WATER COOLER	-	-	-	-	-	-	-	-	-
TOTAL	1,259,793.00	-	-	1,259,793.00	645,370.64	10,204.00	-	604,218.36	614,422.36
TOTAL OF PREVIOUS YEAR	10,215,278.61	-	8,955,465.61	1,259,793.00	2,291,019.73	42,169.00	1,687,818.09	614,422.36	7,924,258.88

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

ASHIKA CREDIT CAPITAL LIMITED



**SCHEDULES TO THE ACCOUNTS AS AT AND FOR THE YEAR ENDED
ON 31ST MARCH, 2008**

	As at 31st March 2008 <u>Rs.</u>	As at 31st March 2007 <u>Rs.</u>
SCHEDULE - 5		
<u>INVESTMENTS</u>		
Long Term - Non- Trade (at cost)		
Equity Shares - (<i>Unquoted</i>)		
Fully Paid Up of Rs.10/- each		
<u>In Subsidiary Companies</u>		
1050000 Sh. Ashika Capital Ltd.	52,983,000.00	52,983,000.00
47000 Sh. Ashika Properties Ltd.	-	4,700,000.00
<u>In Others</u>		
47000 Sh. Ashika Properties Ltd.	4,700,000.00	-
Aggregate book value of Unquoted Investments	(A) 57,683,000.00	57,683,000.00
Government Securities		
12.3% Government of India Stocks (<i>B/F</i>)	(B) 468,000.00	468,000.00
	(A+B) 58,151,000.00	58,151,000.00
 SCHEDULE - 6		
<u>STOCK IN TRADE</u>		
<i>(Valued at lower of cost or market value in case of Quoted Shares etc. and at cost or break up value of in case of Unquoted Shares etc.)</i>		
<i>(As Certified by the Management)</i>		
In Shares of Joint Stock Companies - Quoted	539,007.25	-
[Refer Note No. B (8) (b) in Schedule - 18]	<u>539,007.25</u>	<u>-</u>
 SCHEDULE - 7		
<u>SUNDRY DEBTORS</u>		
<i>(Unsecured, considered good)</i>		
Debts outstanding exceeding six months	-	-
Other Debts	5,086,973.71	131,100.00
	<u>5,086,973.71</u>	<u>131,100.00</u>

**ASHIKA CREDIT CAPITAL LIMITED****SCHEDULES TO THE ACCOUNTS AS AT AND FOR THE YEAR ENDED
ON 31ST MARCH, 2008**

	As at 31st March 2008 <u>Rs.</u>	As at 31st March 2007 <u>Rs.</u>
SCHEDULE - 8		
<u>CASH AND BANK BALANCES</u>		
Cash in Hand <i>(As certified by Management)</i>	399,526.33	137,996.33
Cheques in Hand	15,000,000.00	315,763.00
Balances with Scheduled Banks <i>In Current Accounts</i>	2,963,882.79	664,810.42
	<u>18,363,720.72</u>	<u>1,118,569.75</u>
SCHEDULE - 9		
<u>LOANS AND ADVANCES</u>		
Loans and Other Credit Facilities		
Standard Assets		
- Secured, Considered Good <i>(refer note no. B (5) in Schedule -18)</i>	11,131,400.00	17,384,017.00
- Unsecured, Considered Good	38,247,492.00	115,914,957.68
	49,378,892.00	133,298,974.68
Less : Cash Security (Interest free)	-	1,260,000.00
	49,378,892.00	132,038,974.68
Advances recoverable in cash or in kind or for value to be received		
Interest Accrued :		
On Govt. Securities	12,300.00	12,300.00
Margin Money Deposits	910,963.00	23,000,000.00
Share Application Money <i>(Pending Allotment)</i>	18,000,000.00	2,500,000.00
Security Deposits	94,163.00	94,163.00
Other Advances	4,159,961.00	3,878,737.00
Tax Payments :		
Prepaid Income Tax	2,815,933.87	1,844,218.87
	<u>75,372,212.87</u>	<u>163,368,393.55</u>
SCHEDULE - 10		
<u>CURRENT LIABILITIES</u>		
Sundry Creditors :		
- For Expenses	141,167.00	159,113.60
- For Others	209,532.00	404,746.00
Advance Against Sale of Shares	52,983,000.00	-
Unclaimed Dividend	184,513.40	52,900.80
	<u>53,386,599.80</u>	<u>616,760.40</u>


**SCHEDULES TO THE ACCOUNTS AS AT AND FOR THE YEAR ENDED
ON 31ST MARCH, 2008**

	As at 31st March 2008 <u>Rs.</u>	As at 31st March 2007 <u>Rs.</u>
SCHEDULE - 11		
PROVISIONS		
For Income Tax :		
Asst. Year 2008 - 09	2,010,113.00	-
Earlier Years	-	539,086.00
Fringe Benefit Tax :		
Asst. Year 2008 - 09	15,315.00	-
Earlier Years	-	35,340.00
	<u>2,025,428.00</u>	<u>574,426.00</u>
SCHEDULE - 12		
INTEREST INCOME		
Interest on Loans & Other Credit Facilities (including TDS Rs.21,32,949/- P.Y. Rs.11,50,830/-)	12,583,960.75	6,850,751.00
Interest on Investment in Govt. Securities	49,200.00	49,200.00
Interest on Income Tax Refunds	89,661.00	-
	<u>12,722,821.75</u>	<u>6,899,951.00</u>
SCHEDULE - 13		
OTHER INCOME		
Dividend on Shares - held as Stock - in - Trade	34,621.55	-
Dividend - on Investment in Units of Mutual Funds	38,117.91	-
	<u>72,739.46</u>	<u>-</u>
SCHEDULE - 14		
(INCREASE)/DECREASE IN STOCK OF SHARES ETC.		
Opening Stock	-	-
Less : Closing Stock	539,007.25	-
Increase / (Decrease)	<u>(539,007.25)</u>	<u>-</u>
SCHEDULE - 15		
OTHER DIRECT EXPENSES		
Service Tax	153,420.01	176.36
Stamp Charges	92,571.56	6,771.01
Transaction Charges	69,121.88	1,352.91
Demat Charges	3,651.70	1,391.53
Auction Charges	4,503.29	-
Securities Transaction Tax	732,778.85	-
	<u>1,056,047.29</u>	<u>9,691.81</u>

**SCHEDULES TO THE ACCOUNTS AS AT AND FOR THE YEAR ENDED
ON 31ST MARCH, 2008**

	As at 31st March 2008 <u>Rs.</u>	As at 31st March 2007 <u>Rs.</u>
SCHEDULE - 16		
<u>ADMINISTRATIVE AND OTHER EXPENSES</u>		
Salary, Bonus and Other Allowances	1,081,604.00	2,877,201.00
Staff Welfare Expenses	19,395.00	84,653.00
Employer's Contribution to Provident Fund	34,050.00	98,886.00
Travelling and Conveyance	78,250.00	173,883.02
Printing and Stationary	41,088.00	69,906.50
Postage and Courier	27,285.00	38,661.00
Telephone Expenses	80,532.00	92,313.00
Mobile Phone Charges	35,296.39	88,890.12
Car Maintenance Expenses	-	56,330.00
Miscellaneous Expenditure	46,584.40	234,416.00
Business Promotion Expenses	2,600.00	23,849.00
Repairs & Maintenance	-	30,183.67
Books & Periodicals	1,000.00	-
Donations	-	500,000.00
Professional Fees	47,625.00	10,107.00
Insurance Charges	-	5,008.00
Fees & Subscription	41,958.00	55,794.00
Advertisement	9,207.00	8,306.50
Directors' Meeting Fees	116,000.00	88,000.00
Bank Charges & Commission	4,160.41	2,217.33
Sundry Balances Written off	11,281.64	2,263.26
	<u>1,677,916.84</u>	<u>4,540,868.40</u>
 SCHEDULE - 17		
<u>INTEREST PAID</u>		
Interest on Unsecured Loans	2,494,636.00	1,924,420.00
Other Interest	10,385.00	5,505.00
	<u>2,505,021.00</u>	<u>1,929,925.00</u>



**SCHEDULES TO AND FORMING PART OF ACCOUNTS AS AT AND FOR
THE YEAR ENDED ON 31ST MARCH, 2008**

SCHEDULES – 18

ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

A) ACCOUNTING POLICIES

1. Basis of Accounting

The Financial statements are prepared under the historical cost convention on accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles as acceptable in India and are on the basis of a going concern.

2. Use of Estimates

The Preparation of the financial statements in conformity with the accounting standards generally accepted in India requires, the management to make estimates that affect the reported amount of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statement and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates.

3. Revenue Recognition

Transaction in respect of dealing in securities are recognized on trade dates.

Interest Income from financing activities and others is recognized on and accrual basis.

Dividend Income is recognized on receipt basis.

Prudential norms prescribed by Reserve Bank of India for revenue recognition, asset classification and provisioning are followed.

4. Fixed Assets

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

5. Depreciation on Fixed Assets

Depreciation on tangible fixed assets is provided on Straight Line Method 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 put to use. Depreciation on sale / deduction from fixed asset is provided for, to the date of sale / deduction, as the case may be.

6. Impairment of Fixed Assets

An asset is treated as impaired when carrying cost of asset exceeds it's recoverable amount. An impairment loss is charged to the profit & loss account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period, if any is reversed if there has been a change in the estimate of the recoverable amount.



SCHEDULES TO AND FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2008

SCHEDULES –18 : ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS (Contd.)

7. Shares, Commodities Futures / Equity Index

Initial margin and margin paid over and above initial margin, for entering into a contract for stock futures / equity index which are released on final settlement / squaring up of the underlying contract, are disclosed under Loans & Advances.

Stock futures / equity index are marked-to-market on a daily basis. Debit or Credit Balance, representing the net amount paid or received on the basis of movement in the price of stock futures / equity index till the balance sheet date, are disclosed under Receivables or Current Liabilities, respectively.

Profit / Loss on open position in stock futures / equity index as on the balance sheet date is accounted for as follows:

Credit balance in the Mark-to-Market margin, being the anticipated profit is ignored and no credit for the same is taken in the Profit and Loss Account.

Debit balance in the Mark-to-Market, being the anticipated loss is adjusted in the Profit and Loss Account.

8. Investments

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

9. Stock-in-Trade

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

10. Earning Per Share

Basic Earning 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.

11. Taxation

Tax expenses comprises of current, deferred and fringe benefit 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.

Fringe Benefit Tax is determined in accordance with the provisions of the Income Tax Act 1961.

Deferred Tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversible in one or more subsequent periods. Deferred Assets are recognized and carried forward only to the extent there is reasonable certainty that sufficient future taxable income will be able against which such asset item will be realized.



SCHEDULES TO AND FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2008

SCHEDULES –18 : NOTES ON ACCOUNTS (Contd.)

12. Employee Benefits

Contribution to Provident Fund is made as per provisions of Employees Provident Fund and Miscellaneous Provisions Act, 1952 and charged to Profit and Loss Account and disclosed separately.

Provision for Gratuity has not been made, as the Company is not statutorily liable to pay the same.

Leave encashment is accounted for at the time of payment and no such carry over of unencashed leave is carried over.

No other employees benefits are payable by the Company.

13. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the company has present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and reliable estimate can be made for the amount of the obligation. Contingent liabilities are not recognized but disclose by way of notes to the accounts. Contingent assets are neither recognized nor disclosed in the financial statements

B) NOTES TO THE ACCOUNTS

1. In the opinion of the Board and to the best of their knowledge and belief the realisable value of Current Assets in the ordinary course of business, would not be less than the amount at which they are stated at the Balance Sheet. Provisions for all known liabilities are provided for in full in the book of accounts and the same are adequate and not in excess of the amount reasonably necessary.
2. The Company has no contingent liabilities as on the Balance Sheet date.
3. Auditor's Remuneration includes :

Particulars	2007-2008 (Rs.)	2006-2007 (Rs.)
For Statutory Audit	41,000.00	41,000.00
For Tax Audit	11,000.00	11,000.00
For Certification	12,000.00	10,000.00
Service Tax	7,911.00	7,625.40
Total	71,911.00	69,625.40

4. Loans and Other Credit Facilities (Schedule – 9) includes –
 - a) Rs.36,59,733/- to M/s Ashika Forex Services Pvt Ltd , a Company in which two of the directors are interested . Maximum outstanding amount at a point of time is Rs.50,00,000/-



SCHEDULES TO AND FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2008

SCHEDULES –18 : ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS (Contd.)

- b) Rs.1,79,69,202/- to M/s Ashika Global Securities Ltd , in which two of directors are interested. Maximum amount outstanding at a time is Rs.5,01,00,000/-.
- c) Rs.2,13,335/- to M/s Ashika Properties (P) Ltd, in which two of directors are interested. Maximum outstanding Rs.2,00,000/-.
5. Interest Accrued on Margin Money Deposits Rs. 9,10,963/- (Refer Schedule – 9) is due from M/s. Ashika Stock Broking Ltd., a Company in which two of the Directors are interested.
6. Secured loans given to customers amounting to Rs. 1,11,31,400/- (Refer Schedule – 9) is secured against margin of tradable shares having market value as on 31st March, 2008 of Rs. 3,43,91,500/-. The same shares are further being transferred to the account of Company's Broker as margin.
7. Sundry Debtors (Schedule – 7) represents Rs. 12,11,973.71 to M/s. Ashika Stock Broking Ltd., a Company in which two of the Directors are interested.
8. There are no Micro and Small Enterprises to whom the company owes which are outstanding for more than 45 days as at 31st March, 2008. This Information has been provided to the extent such parties have been identified by the company based on information available with it and has been relied upon by the auditors.
9. Transactions in Foreign Currency – Nil (Previous year Nil)
10. The components of Net Deferred Tax Assets/ (Liabilities) are:

	Amount (Rs.)		
	Deferred Tax Assets / (Liabilities) as at 01/04/2007	Current Year (Charge)/Credit	Deferred Tax Assets / (Liabilities) as at 31/03/2008
Difference between book depreciation and tax Depreciation on Fixed Assets	(75,882.47)	(2,178.16)	(78,060.63)
Total (Net)	(75,882.47)	(2,178.16)	(78,060.63)



SCHEDULES TO AND FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2008

SCHEDULES -18 : NOTES TO ACCOUNTS (Contd.)

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

11. Additional Information as required under Schedule VI to the Companies Act, 1956 :

(a) Particulars in respect of Opening Stock, Purchases and Closing Stock of Shares and Units etc :

	Face Value	As at 31st March, 2008		As at 31st March, 2007	
		Qty.	Amounts	Qty.	Amounts
<u>Opening Stocks :</u>					
Equity Shares (Quoted)	10/-	Nil	Nil	Nil	Nil
Equity Shares (Quoted)	5/-	Nil	Nil	Nil	Nil
Equity Shares (Quoted)	2/-	Nil	Nil	Nil	Nil
Equity Shares (Quoted)	1/-	Nil	Nil	Nil	Nil
Units of Mutual Fund	10/-	Nil	Nil	Nil	Nil
<u>Purchases :</u>					
Equity Shares (Quoted)	10/-	543526	213,846,649.45	Nil	Nil
Equity Shares (Quoted)	5/-	2000	3,058,198.20	Nil	Nil
Equity Shares (Quoted)	2/-	107485	23,105,479.71	Nil	Nil
Equity Shares (Quoted)	1/-	70750	61,91,570.39	Nil	Nil
Units of Mutual Fund	10/-	800	3,239,088.00	Nil	Nil
<u>Sales :</u>					
Equity Shares (Quoted)	10/-	543526	195,067,474.87	Nil	Nil
Equity Shares (Quoted)	5/-	2000	2,947,458.40	Nil	Nil
Equity Shares (Quoted)	2/-	100020	20,128,898.30	Nil	Nil
Equity Shares (Quoted)	1/-	70750	5,807,008.50	Nil	Nil
Units of Mutual Fund	10/-	800	2,681,728.00	Nil	Nil
<u>Closing Stocks :</u>					
Equity Shares (Quoted)	10/-	Nil	Nil	Nil	Nil
Equity Shares (Quoted)	5/-	Nil	Nil	Nil	Nil
Equity Shares (Quoted)	2/-	7465	539007.25	Nil	Nil
Equity Shares (Quoted)	1/-	Nil	Nil	Nil	Nil
Units of Mutual Fund	10/-	Nil	Nil	Nil	Nil



SCHEDULES TO AND FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2008

SCHEDULES -18 : NOTES TO THE ACCOUNTS (Contd.)

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

NAME OF THE SCRIPT	Face Value	CLOSING STOCK AS ON 31/03/2008		CLOSING STOCK AS ON 31/03/2007	
		Qty (Nos.)	Amount (Rs.)	Qty. (Nos.)	Amount (Rs.)
Shares - Ordinary (Fully Paid)					
Quoted :					
DCW Ltd.	2/-	2465	43,507.25	-	-
Gulf Oil Corp. Ltd.	2/-	5000	4,95,500.00	-	-
TOTAL		7465	5,39,007.25	-	-

12. Basic and Diluted Earning Per Share :

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

Amount (Rs.)

Particulars	2007 - 2008	2006 - 2007
Profit considered for calculating EPS (Net Profit after Tax)	38,36,566.09	12,81,240.89
Weighted average number of Equity Shares (Nos.)	4,994,826	4,994,826
Nominal value of Equity Shares	10.00	10.00
Basic and Diluted Earnings per Share (Rs.)	0.77	0.26

13. Managerial Remuneration :

Particulars	2007 - 2008	2006 - 2007
Salary to Manager	4,66,929.00	-
Salary to Managing Director	-	12,00,000.00
Contribution to Provident Fund	14,439.00	-
Total	4,81,368.00	12,00,000.00

14. **Related Parties Disclosures :**

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

a) Related Party	Nature of Relationship
Ashika Capital Ltd.	Subsidiaries
Ashika Properties Private Ltd. (Subsidiary of Ashika Capital Ltd. upto w.e.f. 04.12.2007)	Fellow Subsidiaries



SCHEDULES TO AND FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2008

SCHEDULES –18 : NOTES TO ACCOUNTS (Contd.)

Ashika Insurance Broking & Risk Management Private Limited
(Subsidiary of Ashika Capital Ltd.)

Mr. Daulat Jain
Mr. Babulal Bafna

Key Management Personnel

Ashika Stock Broking Ltd.
Ashika Global Securities Ltd.
Ashika Global Finance Pvt. Ltd.
Ashika Venture Capital Pvt. Ltd.
Ashika Forex Services Pvt. Ltd.
Ashika Commodities & Derivatives Pvt. Ltd.

Enterprises in which the Key Management Personnel have control and significant influence

Transactions during the year with related parties

	Subsidiaries	Key Management Personnel	Enterprise in which Key Management Personnel have control and significant influence	Total
Loans Taken				
Opening (incl. interest)	-	-	12,29,71,272/-	12,29,71,272/-
Received during the year	-	-	1,22,00,000/-	1,22,00,000/-
Repaid during the year	-	-	12,87,71,272/-	12,87,71,272/-
Closing Balance (incl. interest)	-	-	51,74,774/-	51,74,774/-
Loans Granted				
Opening (incl. interest)	14,19,597/-	-	29,20,000/-	43,39,597/-
Given during the year	2,24,000/-	-	14,21,80,000/-	14,22,04,000/-
Returned during the year	14,43,597/-	-	12,53,50,00/-	12,67,93,597/-
Closing Balance (incl. interest)	2,13,335/-	-	2,16,28,935/-	2,18,42,270/-
Advances Received				
Opening Balance	-	-	-	-
Received during the year	47,00,000/-	-	10,59,66,000/-	11,06,66,000/-
Repaid during the year	47,00,000/-	-	5,29,83,000/-	5,76,83,000/-
Closing Balance	-	-	5,29,83,000/-	5,29,83,000/-



ASHIKA CREDIT CAPITAL LIMITED

SCHEDULES TO AND FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2008

SCHEDULES -18 : NOTES TO THE ACCOUNTS (Contd.)

	Subsidiaries	Key Management Personnel	Enterprise in which Key Management Personnel have control and significant influence	Total
Margin Money Given				
Opening Balance	-	-	2,30,00,000/-	2,30,00,000/-
Received during the year	-	-	37,94,00,000/-	37,94,00,000/-
Repaid during the year	-	-	40,24,00,000/-	40,24,00,000/-
Closing Balance	-	-	-	-
Sundry Debtors	-	-	12,11,974/-	12,11,974/-
Share Application Money (pending allotment)	-	-	1,80,00,000/-	1,80,00,000/-
Purchase / Sales of Securities				
Purchases	-	-	20,73,00,985/-	20,73,00,985/-
Sales	-	-	22,66,32,588/-	22,66,32,588/-
Income				
Interest received on Loan	17,243/-	-	46,06,947/-	46,24,190/-
Interest received on Margin Money	-	-	13,70,608/-	13,70,608/-
Speculation Profit	-	-	2,06,04,001/-	2,06,04,001/-
Expenditure				
Interest paid on Loan	-	-	3,34,694/-	3,34,694/-
Demat Charges	-	-	2,652/-	2,652/-
Director's Meeting Fees	-	20,000/-	-	20,000/-
Salary	-	4,66,929/-	4,66,929/-	4,66,929/-

Note : Figures are rounded off to the nearest rupee

15. None of the Fixed Assets of the Company are considered impaired as on the Balance Sheet date.
16. In the opinion of the management, during the year the company is mainly engaged in the business of Investing and Financing related Activities. All other activities of the Company revolve around the main business. As such, there are no separate reportable segments.
17. 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.
18. Previous year's figures have been rearranged or regrouped wherever deemed necessary to conform with current year presentation.

Signature to Schedules 1 to 18

P. K. SAH, FCA
Partner

For and on behalf of
Sah Lodha & Associates
Chartered Accountants

For and on behalf of the Board
Pawan Jain Director
Daulat Jain Executive Director
Babulal Bafna Chief Executive Officer
Anju Lohiya Company Secretary

Place : Kolkata
Dated : 18th June, 2008



ASHIKA CREDIT CAPITAL LIMITED

(Rs. In Lakhs)

Particulars					
(4)	Break-up of Investments			Amount outstanding	
	Current Investments				
	1.	Quoted :			
		(i)	Shares : (a) Equity	5.39	
			(b) Preference	-	
		(ii)	Debentures and Bonds	-	
		(iii)	Units of Mutual Funds	-	
		(iv)	Government Securities	-	
		(v)	Others (please specify)	-	
	2.	Unquoted :			
		(i)	Shares : (a) Equity	-	
			(b) Preference	-	
		(ii)	Debentures and Bonds	-	
		(iii)	Units of Mutual Funds	-	
		(iv)	Government Securities	-	
		(v)	Others (please specify)	-	
	Long Term Investments :				
	1.	Quoted :			
		(i)	Shares : (a) Equity	-	
			(b) Preference	-	
		(ii)	Debentures and Bonds	-	
		(iii)	Units of Mutual Funds	-	
		(iv)	Government Securities	-	
		(v)	Others (please specify)	-	
	2.	Unquoted :			
		(i)	Shares : (a) Equity	576.83	
			(b) Preference	-	
		(ii)	Debentures and Bonds	-	
		(iii)	Units of Mutual Funds	4.68	
		(iv)	Government Securities	-	
		(v)	Others (please specify)	-	
(5)	Borrower group-wise classification of assets Financed as in (2) and (3) above				
	Category		Amount Net of Provisions		
			Secured	Unsecured	Total
	1.	Related Parties			
		(a)	Subsidiaries	-	-
		(b)	Companies in the same group	-	216.29
		(c)	Other related parties	-	-
	2.	Other than related parties		111.31	116.18
	Total :		111.31	382.47	493.78



(Rs. In Lakhs)

Particulars			
(6)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)		
	Category	Market Value / Break up or fair Value or NAV	Book Value (Net of Provisions)
	1. Related Parties		
	(a) Subsidiaries	*529.83	*529.83
	(b) Companies in the same group	*47.00	47.00
	(c) Other related parties	-	-
	2. Other than related parties	5.39	5.39
	Total :	582.22	582.22
	* represents the investments in unquoted equity shares which are taken at their respective book value in absence of availability of break-up value of the investee company.		
(7)	Other Information Particulars	Amount	
	(i) Gross Non-Performing Assets		
	(a) Related Parties	-	
	(b) Other than related parties	-	
	(ii) Net Non-Performing Assets		
	(a) Related Parties	-	
	(b) Other than related parties	-	
	(iii) Assets acquired in satisfaction of debt	-	

Place : Kolkata
Dated : 18th June, 2008

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

For and on behalf of the Board
Pawan Jain Director
Daulat Jain Executive Director
Babulal Bafna Chief Executive Officer
Anju Lohiya Company Secretary

**ASHIKA CREDIT CAPITAL LIMITED****COMPANY'S GENERAL BUSINESS PROFILE AND BALANCE SHEET ABSTRACT
(As required under Part IV, Schedule VI to the Companies Act, 1956)****I. Registration Details :**

Registration No. :

State Code :

Balance Sheet Date :

Date Month Year

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

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

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

Sources of Funds	Total Liabilities	Total Assets
	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="8"/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="7"/>	
	Paid up Capital	Reserves & Surplus
		<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="4"/> <input type="text" value="7"/> <input type="text" value="3"/> <input type="text" value="3"/> <input type="text" value="8"/>
Application of Funds	Secured Loans	Unsecured Loans
	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="5"/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="2"/>
	Net Fixed Assets	Investments
<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="2"/> <input type="text" value="5"/> <input type="text" value="9"/> <input type="text" value="9"/> <input type="text" value="6"/> <input type="text" value="3"/>	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="4"/>	<input type="text" value="-"/> <input type="text" value="5"/> <input type="text" value="8"/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="1"/>
	Net Current Assets	Misc. Expenditure
	<input type="text" value="-"/> <input type="text" value="4"/> <input type="text" value="3"/> <input type="text" value="8"/> <input type="text" value="1"/> <input type="text" value="8"/>	<input type="text" value="-"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
	Accumulated Losses	Deferred Tax Assets/(Liabilite)
	<input type="text" value="-"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	<input type="text" value="-"/> <input type="text" value="7"/> <input type="text" value="8"/>

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

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

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

Item Code No. (ITC Code A)

Product Description

Place : Kolkata Dated : 18th June, 2008	P. K. SAH, FCA Partner <i>For and on behalf of</i> Sah Lodha & Associates Chartered Accountants	<i>For and on behalf of the Board</i> Pawan Jain Director Daulat Jain Executive Director Babulal Bafna Chief Executive Officer Anju Lohiya Company Secretary
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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

	Year ended 31st March 2008 <u>Rs.</u>	Year ended 31st March 2007 <u>RS.</u>
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax	5,864,172.25	1,462,271.27
<i>Adjustments for :</i>		
Depreciation on Fixed Assets	10,204.00	42,169.00
Loss on Sale of Fixed Assets	-	170,489.98
(Profit) / Loss on Sale of Investments	(55,120.80)	(1,253,000.00)
Interest / Dividend Income on Investments	(87,317.91)	(49,200.00)
Interest Expenses	2,494,636.00	1,929,925.00
Operating Profit Before Working Capital Changes	8,226,573.54	2,302,655.25
<i>Adjustments for :</i>		
(Increase) / Decrease in Stock In Trade	(539,007.25)	-
(Increase) / Decrease in Trade Receivables	(4,955,873.71)	(66,198.00)
(Increase) / Decrease in Loans and Advances	104,467,895.68	(146,023,247.00)
Increase / (Decrease) in Trade Payables	52,901,452.00	(2,114,080.69)
Cash Generated From Operations	160,101,040.26	(145,900,870.44)
<i>Adjustments for :</i>		
Interest Expenses	(2,494,636.00)	(1,929,925.00)
Direct Tax Refunds / (Paid)	(1,224,500.00)	(1,227,608.30)
Net Cash From Operating Activities	156,381,904.26	(149,058,403.74)
B. CASH FLOW FROM INVESTING ACTIVITIES		
<i>Add / (Less) :</i>		
Sale of Fixed Assets	-	7,097,177.54
Purchase of Investments	(32,038,117.91)	(131,100.00)
Sale of Investments	32,093,238.71	19,243,100.00
Interest / Dividend Income on Investments	87,317.91	49,200.00
Share Application Money Paid	(15,500,000.00)	(2,500,000.00)
Net Cash from Investing Activities	(15,357,561.29)	23,758,377.54



ASHIKA CREDIT CAPITAL LIMITED

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

	Year ended 31st March 2008 Rs.	Year ended 31st March 2007 RS.
C. CASH FLOW FROM FINANCING ACTIVITIES:		
<i>Add / (Less) :</i>		
Short Term Borrowings / (Repaid)	(123,779,192.00)	122,924,736.00
Net Cash Used In Financing Activities	(123,779,192.00)	122,924,736.00
Net Increase In Cash And Cash Equivalents (A+B+C)	17,245,150.97	(2,375,290.20)
Cash And Cash Equivalents As At The Beginning Of The Year	1,118,569.75	3,493,859.95
Cash And Cash Equivalents As At The Close Of The Year	18,363,720.72	1,118,569.75

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

As per our report of even date

Place : Kolkata
Dated : 18th June, 2008

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

For and on behalf of the Board
Pawan Jain Director
Daulat Jain Executive Director
Babulal Bafna Chief Executive Officer
Anju Lohiya Company Secretary



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

NAME OF THE SUBSIDIARY COMPANY	ASHIKA CAPITAL LIMITED
1 Financial Year of the Subsidiary ended on	March 31, 2008
2. Share of subsidiary Company held on the above date and extent of holding i) Equity Shares ii) Extent of holding (%)	1050000 Equity shares of Rs.10/- each 100%
3. Net aggregate amount of Profit / Loss of Subsidiary for the above financial year so far as they concern members of Ashika Credit Capital Limited i) Dealt with in the accounts of Ashika Credit Capital Limited ii) Not dealt with in the accounts of Ashika Credit Capital Limited	NIL Profit of Rs. 38.60 Lacs (Current year PAT)
4. Net aggregate amount Profit / Losses for previous financial year of the subsidiary as far as it concern members of Ashika Credit Capital Limited i) Dealt with in the accounts of Ashika Credit Capital Limited. ii) Not dealt with in the accounts of Ashika Credit Capital Limited	NIL Profit of Rs. 1.82 Lacs
5. a) Changes in the holding Company's interest in the subsidiary between the end of the financial year of the subsidiary and the end of the holding Company's financial year. b) Material changes which have occurred between the end of the aforesaid Financial year of the subsidiary and the end of the holding Company's Financial year in respect of :	As the Closing of the Financial year of the subsidiary Company coincides with the closing of the Financial year of the holding Company i.e. M/s. Ashika Credit Capital Limited, Section 212 (5) of the Act is not applicable. - do -



ASHIKA CREDIT CAPITAL LIMITED

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

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

For and on behalf Of the Board

Pawan Jain
(Chairman)

Daulat Jain
(Executive Director)

Babulal Bafna
(Chief Executive Officer)

Anju Lohiya
(Company Secretary)

Place: Kolkata
Date: 18th day of June, 2008

ASHIKA CAPITAL LIMITED



Growing & Sharing with You

**EIGHTH ANNUAL REPORT
2007-2008**

BOARD OF DIRECTORS

SRI PAWAN JAIN - *Chairman*

SRI DAULAT JAIN - *Director*

SRI KASHI PRASAD KHANDELWAL - *Director*

SRI ASHOK KUMAR AGARWAL - *Director*

SRI SAGAR JAIN - *Director*

COMPANY SECRETARY

MS. ANSHIKA HALDIA - *Company Secretary*

AUDITORS

SAH LODHA & ASSOCIATES
CHARTERED ACCOUNTANTS
58/D, NETAJI SUBHASH ROAD
3RD FLOOR, ROOM NO. 316
KOLKATA-700 001

BANKERS

CITI BANK
TAMILNAD MERCANTILE BANK LTD.
HDFC BANK LTD.

REGISTERED OFFICE

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



DIRECTORS' REPORT

Dear Shareholders,

Your Directors feel great pleasure in presenting the Eighth Annual Report of the Company along with the Audited Statement of Accounts for the year ended 31st March 2008.

FINANCIAL PERFORMANCE:

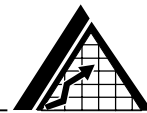
Financial Performance of the Company for the year ended 31st March, 2008 is as follows:

(Amount in Rupees)

Financial Results For The Year Ended	31st March 2008	31st March 2007
Total Income	30,399,923.76	34,096,722.83
Profit/(Loss) before depreciation and tax	6,462,498.97	1,327,630.92
Less: Depreciation	5,98,190.00	562,120.50
Profit/(Loss) before Tax	5,864,308.97	765,510.42
Less: Provision for Taxation	2,004,243.78	583,359.78
Profit / (Loss) after Tax	3,860,065.19	182,150.64
Balance brought forward from previous year	2,520,055.67	2,337,905.03
Tax Relating to earlier year	(47,730.00)	-
Transitional effect of Provision for Gratuity (Net)	(72,603.00)	-
Surplus Carried Forward	6,259,787.86	2,520,055.67

REVIEW OF OPERATIONS

The industry has passed through a very critical and bad phase because of suppressed and subdued capital market conditions, but despite these adverse conditions your company could perform reasonably well and have earned a profit after tax of **Rs. 38,60,065.19** during the year. The total income earned by the company for the year was **Rs. 3,03,99,923.76** which includes income from Investment Banking, Corporate Finance and Syndication of various corporate services. Now the Company major focus is to concentrate fully in the activities like issue management, amalgamation and take over, underwriting, placement of shares and debentures, syndication of loan and other corporate advisory services. As the Company expects that the conditions of capital market would improve, it would further help the business prospects of the company.



DIVIDEND :

As the company is planning new and innovative ideas for expansion purpose and further to strengthening its financial positions, the Board recommended to deploy back the profits for the year 2008 into the business of the company. So the directors express their inability to recommend any dividend for the year ended 31st March 2008.

DIRECTORS :

Pursuant to the provisions of sections 255 and 256 of the Companies Act, 1956, Mr. Kashi Prasad Khandelwal and Mr. Ashok Kumar Agarwal, directors of the Company are liable to retire by rotation in the forthcoming Annual General Meeting of the Company and being eligible, offers themselves for reappointment.

AUDITORS' REPORT :

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

AUDITORS :

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

MATERIAL CHANGES AND COMMITMENTS :

There have been no material changes and commitments affecting the financial position of the company, which have occurred since March 31 2008, being the end of the Financial Year of the Company.

STATUTORY AND OTHER INFORMATION :

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

There was foreign exchange earnings during the year under review, received as advance from customers. But there was no foreign exchange outgoes during the year under review.

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



DIRECTORS RESPONSIBILITY STATEMENT:

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

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

ACKNOWLEDGEMENTS:

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

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

For and on behalf of the Board of Directors

Place: Kolkata
Date: 18th June, 2008

(Pawan Jain)
Chairman



AUDITORS' REPORT

To The Members of ASHIKA CAPITAL LIMITED

1. We have audited the attached Balance Sheet of **Ashika Capital Limited** (the 'Company') as at 31st March, 2008 and the relative Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standard generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order 2003, issued by the Central Government of India in accordance to section 227(4A) of the Companies Act 1956, and on the basis of our checks as we considered appropriate and according to information and explanations given to us during the course of our audit, we enclose in the Annexure, a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that :
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purposes of the audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors as on 31st March 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of sub section 1(g) of section 274 of the Companies Act, 1956;



ASHIKA CAPITAL LIMITED

- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the schedules and notes thereon and attached thereto give the information required by the Companies Act, 1956 in conformity with the accounting principles generally accepted in India and give a true and fair view:-
- i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2008;
 - ii) In the case of Profit and Loss Account of the profit for the year ended on 31st March, 2008; and
 - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on 31st March, 2008.

For SAH LODHA & ASSOCIATES
Chartered Accountants

Place : Kolkata
Dated : 18th June, 2008

(P. K. SAH, FCA)
Partner
Mem. No. 56216



ANNEXURE TO THE AUDITORS' REPORT - ASHIKA CAPITAL LIMITED

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

- (i) (a) The Company, we have been informed, has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As per information and explanations given to us, the fixed assets have been physically verified by the management at reasonable intervals under a phased program. We have been informed, no material discrepancies have been found on such physical verifications.
- (c) During the year, the Company has not disposed off any substantial part of the fixed assets.
- (ii) (a) As explained to us, stock in trade of shares & securities was physically verified during the year by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of stock in trade followed by the management were reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of stock in trade and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted or taken any loans, secured and unsecured to companies, firms or other parties covered in the Register maintained u/s.301 of the Companies Act, 1956 and accordingly sub clauses (a) to (e) to clause (iii) of the said Order are not applicable to the Company for the year under review.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and shares and securities held as stock in trade and for sale of goods and services. We have not observed any continuing failure to correct major weaknesses in such internal controls.
- (v) (a) According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so recorded in the register.
- (b) In our opinion and according to the information and explanations given to us, where each of such transactions is in excess of Rs.5 Lacs in respect of any party, the transactions have been made at prices which are, prima-facie, reasonable having



regard to the prevailing market prices at the relevant time, except that (a) in respect of sale of services, no comparison of prices could be made as the Company informed us that there are no prevailing market prices / alternate sources of supply, (b) in respect of sale of shares (part of investments) in Ashika Properties Ltd. and Ashika Commodities & Derivatives Pvt. Ltd. aggregating Rs. 240 lacs at the cost to the Company, no comparison of prices could be made, as informed by the management, as the shares were not quoted.

- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public within the meaning of the section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the companies (Acceptance of Deposits) Rules, 1975 with regard to the deposit accepted from the public.
- (vii) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) According to the information and explanations given to us, the maintenance of cost records prescribed by the Central Government under clause (d) of sub-section (1) of Section 209 of the Act is not applicable to the Company.
- (ix) (a) According to the records of the Company and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Service Tax, Cess and other material statutory dues as applicable to it with the appropriate authorities during the year.
(b) According to the information and explanations given to us, during the year, there were no disputed dues payable in respect of Sales Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and Cess.
- (x) The Company does not have any accumulated losses at the end of the financial year and the Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) The Company has no dues of financial institutions, banks or debenture holders.
- (xii) According to the information and explanations given and based on the documents and records produced before us, the Company has not granted loan and advances on the basis of security by way of pledge of shares, debentures or other securities.
- (xiii) Clause (xiii) of the Order is not applicable to the Company as the Company is not a chit fund Company or nidhi / mutual benefit fund / society.
- (xiv) The Company has maintained proper records of transactions and contracts in respect of dealing and trading in shares, securities etc. and timely entries have been made therein. As on the Balance Sheet date the company does not hold any stock of shares or securities. However, the investments made by the company have been held by the Company in its own name.

ASHIKA CAPITAL LIMITED



- (xv) The Company has given guarantee (jointly with three other guarantors) to a bank for obtaining Bank Guarantee by a Company listed in the Register maintained under Section 301 amounting to Rs. 2350 lacs, which as per our opinion is prejudicial to the interest of the Company.
- (xvi) According to the information and explanations given to us, in our opinion, the Company have neither obtained nor applied any term loans during the year.
- (xvii) According to the information and explanations given to us and overall examination of the Balance Sheet of the Company no short term fund has been used for long term investments.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures. Accordingly clause (xviii) of the said Order is not applicable.
- (xx) The Company has not raised any money by public issues during the year under review.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For **SAH LODHA & ASSOCIATES**
Chartered Accountants

Place : Kolkata
Dated : 18th June, 2008

(**P. K. SAH, FCA**)
Partner
Mem. No. 56216

**ASHIKA CAPITAL LIMITED****BALANCE SHEET AS AT 31ST MARCH, 2008**

	<u>SCHEDULES</u>	As at 31st March, 2008 Rs.	As at 31st March, 2007 Rs.
<u>SOURCES OF FUNDS</u>			
SHAREHOLDERS' FUNDS			
Share Capital	1	10,500,000.00	10,500,000.00
Reserves & Surplus	2	48,231,787.86	44,492,055.67
DEFERRED TAX LIABILITIES		294,421.00	329,772.22
TOTAL		<u>59,026,208.86</u>	<u>55,321,827.89</u>
<u>APPLICATION OF FUNDS</u>			
FIXED ASSETS			
Gross Block	3	8,409,634.50	7,523,400.50
Less: Depreciation		1,400,921.31	802,731.31
Net Block		7,008,713.19	6,720,669.19
INVESTMENTS (At Cost)	4	10,200,000.00	35,728,534.00
CURRENT ASSETS, LOANS & ADVANCES			
Stock In Trade	5	2,077,500.00	-
Sundry Debtors	6	1,640,660.25	194,650.00
Cash & Bank Balances	7	11,842,062.43	13,650,433.90
Loans & Advances	8	42,156,602.83	1,212,080.80
		57,716,825.51	15,057,164.70
LESS : CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	9	13,582,785.84	1,830,175.00
Provisions	10	2,316,544.00	354,365.00
		15,899,329.84	2,184,540.00
NET CURRENT ASSETS		41,817,495.67	12,872,624.70
TOTAL		<u>59,026,208.86</u>	<u>55,321,827.89</u>

ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS 15

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

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

	P. K. SAH, FCA <i>Partner</i>	For and on behalf of the Board
Place : Kolkata	For and on behalf of	Pawan Jain (Director)
Dated : 18th June, 2008	Sah Lodha & Associates Chartered Accountants	Daulat Jain (Director)
		Anshika Haldia (Company Secretary)


PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

<u>SCHEDULES</u>	<u>Year ended</u> <u>31st March, 2008</u>	<u>Year ended</u> <u>31st March, 2007</u>
	Rs.	Rs.
INCOME		
Sale of Shares	3,825,312.25	23,482,886.83
Merchant Banking Operations	23,874,032.00	10,590,276.00
Brokerage Income	1,582,032.00	18,415.00
Profit on sale of Investment in Shares & Units of Mutual Funds	435,633.55	-
Other Income 11	682,913.96	5,145.00
	<u>30,399,923.76</u>	<u>34,096,722.83</u>
EXPENDITURE		
Purchase of Shares	6,042,119.50	21,245,858.60
Other Direct Expenses 12	4,599.94	18,740.24
(Increase)/Decrease in Stocks of Shares. 13	(2,077,500.00)	1,954,660.70
Administrative & Other Expenses 14	19,916,081.75	9,466,153.97
Loss on Sale of Investments in Shares	-	1,610.00
Auditors' Remuneration	52,123.60	69,042.60
Preliminary & Pre-Operative Expenses Written Off	-	13,025.80
	<u>23,937,424.79</u>	<u>32,769,091.91</u>
PROFIT BEFORE DEPRECIATION AND TAXATION	6,462,498.97	1,327,630.92
LESS : Depreciation	598,190.00	562,120.50
PROFIT BEFORE TAXATION	5,864,308.97	765,510.42
LESS : Provision for Taxation :		
- Current Tax 1,754,120.00		145,590.00
- Deferred Tax Liabilities (2,885.22)		232,564.78
- Fringe Benefit Tax 253,009.00	2,004,243.78	205,205.00
PROFIT AFTER TAXATION	3,860,065.19	182,150.64
ADD / (Less) : Balance brought forward from previous year	2,520,055.67	2,337,905.03
ADD / (Less) : Tax relating to earlier year	(47,730.00)	-
ADD / (Less) : Transitional Effect of Provision for Gravity (Net)	(72,603.00)	-
Surplus Carried Over to Balance Sheet	<u>6,259,787.86</u>	<u>2,520,055.67</u>
Earnings per Share (in Rs.)	3.68	0.17

[Refer note no. B(11) in Schedule 15]

ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS 15

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

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

Place : Kolkata Dated : 18th June, 2008	P. K. SAH, FCA <i>Partner</i> For and on behalf of Sah Lodha & Associates Chartered Accountants	For and on behalf of the Board Pawan Jain <i>Director</i> Daulat Jain <i>Director</i> Anshika Haldia <i>Company Secretary</i>
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SCHEDULES TO THE ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2008

	As at 31st March, 2008 Rs.	As at 31st March, 2007 Rs.
SCHEDULE - 1		
SHARE CAPITAL		
Authorised		
1,100,000 Equity Shares of Rs.10/- each	<u>11,000,000.00</u>	<u>11,000,000.00</u>
Issued, Subscribed & Paid-up		
1,050,000 Equity Shares of Rs.10/- each Fully Called and Paid Up in Cash <i>[Out of above 10,49,400 equity shares of Rs. 10/- each are held by Holding Company Ashika Credit Capital Limited and 600 Shares are held by the Holding Company jointly with its nominees]</i>	<u>10,500,000.00</u>	<u>10,500,000.00</u>
SCHEDULE - 2		
RESERVE & SURPLUS		
Share Premium Account		
Balance as per last account	41,972,000.00	41,972,000.00
Profit & Loss Account		
Surplus Balance	<u>6,259,787.86</u>	<u>2,520,055.67</u>
	<u>48,231,787.86</u>	<u>44,492,055.67</u>
SCHEDULE - 4		
INVESTMENTS		
Long Term - Non - Trade (at cost)		
Equity Shares - (quoted) Fully Paid Up of Rs.2/- each		
Nil (P. Y. 5000 Shares) in India Bulls Real Estates Limited	-	1,528,534.00
(A)	-	<u>1,528,534.00</u>
Equity Shares - (Unquoted) Fully Paid Up of Rs.10/- each		
In Subsidiary Company		
520,000 (P.Y.2,600,000) shares in Ashika Insurance & Risk Mgt, Pvt. Ltd. (B/F)	5,200,000.00	5,200,000.00
Nil (P.Y. 200,000) shares in Ashika Properties Pvt. Ltd.	-	20,000,000.00
(B)	<u>5,200,000.00</u>	<u>25,200,000.00</u>
In company under the same management		
Nil (P.Y. 80,000) in Ashika Commoties & Derivatives Limited	-	4,000,000.00
1,00,000 (P. Y. 1,00,000) shares in Ashika Venture Capital Pvt. Limited (B/F)	5,000,000.00	5,000,000.00
(C)	<u>5,000,000.00</u>	<u>9,000,000.00</u>
Aggregate Book Value of Investments (A+B+C)	<u>10,200,000.00</u>	<u>35,228,534.00</u>
Aggregate Market Value of Quoted investments	-	<u>1,493,250.00</u>



SCHEDULES TO THE ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2008

**SCHEDULE - 3
FIXED ASSETS**

PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 1st April, 2007 (Rs.)	Additions/ Adjust- ments (Rs.)	Withdrawals/ Adjustments (Rs.)	As at 31st Mar 2008 (Rs.)	As at 1st April 2007 (Rs.)	For the Year (Rs.)	Deductins/ Adjus (Rs.)	As at 31st Mar 2008 (Rs.)	As at 31st Mar 2007 (Rs.)	
Air Conditioner	504,940.00	-	-	504,940.00	26,394.50	23,986.00	-	50,380.50	478,545.50	
Fax Machine	16,860.00	-	-	16,860.00	1,014.00	800.00	-	1,814.00	15,046.00	
CCTV	256,050.00	-	-	256,050.00	12,162.00	12,162.00	-	24,324.00	243,888.00	
Television	31,000.00	-	-	31,000.00	1,355.00	1,472.00	-	2,827.00	29,645.00	
Telephone	7,671.00	-	-	7,671.00	1,456.74	364.00	-	1,820.74	6,214.26	
Xerox Machine	142,880.00	-	-	142,880.00	11,362.00	6,787.00	-	18,149.00	131,518.00	
Computer & Printers	1,198,444.00	48,776.00	-	1,247,220.00	266,073.77	196,434.00	-	462,507.77	932,370.23	
Motor Car	365,000.00	-	-	365,000.00	156,940.00	34,675.00	-	191,615.00	208,060.00	
Furniture & Fixture	4,623,023.50	923,150.00	85,692.00	5,460,481.50	301,773.30	303,038.00	5,424.00	599,387.30	4,321,250.20	
EPABX	377,532.00	-	-	377,532.00	24,200.00	23,896.00	-	48,096.00	353,332.00	
Sub Total	7,523,400.50	971,926.00	85,692.00	8,409,634.50	802,731.31	603,614.00	5,424.00	1,400,921.31	6,720,669.19	
Capital Work In Progress (Including advances on capital account)	-	-	-	-	-	-	-	-	3,546,457.00	
Total	7,523,400.50	971,926.00	85,692.00	8,409,634.50	802,731.31	603,614.00	5,424.00	1,400,921.31	10,267,126.19	
TOTAL OF PREVIOUS YEAR	5,306,783.50	5,763,074.00	3,546,457.00	7,523,400.50	240,610.81	562,120.50	-	802,731.31	5,066,172.69	

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

**SCHEDULES TO THE ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2008**

	As at 31st March, 2008 Rs.	As at 31st March, 2007 Rs.
SCHEDULE - 5		
STOCK-IN-TRADE		
<i>(Valued at lower of cost or market value)</i>		
<i>(As certified by the Management)</i>		
In shares of Joint Stock Companies - Quoted		
<i>(Ref Note No.B (10) (b) in Schedule 15)</i>		
	<u>2,077,500.00</u>	<u>-</u>
SCHEDULE - 6		
SUNDRY DEBTORS		
<i>(Unsecured, considered good)</i>		
Debt outstanding exceeding six months	427,537.25	194,650.00
Other Debts	1,213,123.00	-
	<u>1,640,660.25</u>	<u>194,650.00</u>
SCHEDULE - 7		
CASH AND BANK BALANCES		
Cash in Hand	369,171.55	1,039,049.55
<i>(As certified by Directors)</i>		
Cheques in Hand	438,061.40	1,117,386.40
Cash at Bank		
Balances with Scheduled Banks		
In Current Accounts	11,034,829.48	11,493,997.95
	<u>11,842,062.43</u>	<u>13,650,433.90</u>
SCHEDULE - 8		
LOANS & ADVANCES		
<i>Advances recoverable in cash or in kind or for value to be received</i>		
Margin Money Deposits	35,000,000.00	-
Security Deposits	1,947,500.00	550,000.00
Advances Against Purchase of Fixed Assets	600,000.00	-
Advances on Clients Account	1,020,000.00	-
Advances Against Expenses	92,531.00	125,000.00
Prepaid Expenses	145,818.50	218,552.50
Staff Advances	56,145.00	5,000.00
Other Advances	187,975.51	-
Prepaid Taxes :		
Income Tax Payments	2,893,459.80	313,528.30
MODVAT Credit Receivable on Service Tax	213,173.02	-
	<u>42,156,602.83</u>	<u>1,212,080.80</u>



**SCHEDULES TO THE ACCOUNTS AS AT AND FOR THE YEAR ENDED
ON 31ST MARCH, 2008**

	As at 31st March, 2008 Rs.	As at 31st March, 2007 Rs.
SCHEDULE - 9		
CURRENT LIABILITIES		
Sundry Creditors :		
For Capital Goods	-	85,692.00
For Purchases	3,375,000.00	-
For Expenses	6,419,195.05	242,718.60
For Other Finance	1,337,690.25	245,230.00
Advances from Clients	1,380,602.20	51,000.00
Other Liabilities	1,070,298.34	1,205,534.40
	<u>13,582,785.84</u>	<u>1,830,175.00</u>
SCHEDULE - 10		
PROVISIONS		
For Income Tax (Ass Yr 2008 - 09)	1,754,120.00	-
For Income Tax (Ass Yr 2007 - 08)	-	145,590.00
For Income Tax (Ass Yr 2005 - 06)	3,570.00	3,570.00
For Fringe Benefit Tax (Ass Yr 2008 - 09)	253,009.00	-
For Fringe Benefit Tax (Ass Yr 2007 - 08)	-	205,205.00
For Gratuity	305,845.00	-
	<u>2,316,544.00</u>	<u>354,365.00</u>
SCHEDULE - 11		
OTHER INCOME		
Dividend on Shares - held as Stock-in-trade	-	4,000.00
Profit on Intraday Trading in Shares	-	1,145.00
Interest Income (Subjest to TDS Rs. 1,98,323.30)	682,913.96	-
	<u>682,913.96</u>	<u>5,145.00</u>
SCHEDULE - 12		
OTHER DIRECT EXPENSES		
Service Tax	315.31	2,419.91
Stamp Charges	838.60	5,169.23
Transaction Charges	293.51	1,807.77
Demat Charges	786.52	1,012.01
Securities Transaction Tax	2,366.00	8,331.32
	<u>4,599.94</u>	<u>18,740.24</u>

**SCHEDULES TO THE ACCOUNTS AS AT AND FOR THE YEAR ENDED
ON 31ST MARCH, 2008**

	As at <u>31st March, 2008</u>	As at <u>31st March, 2007</u>
	Rs.	Rs.
SCHEDULE - 13		
<u>(INCREASE)/DECREASE IN STOCKS OF SHARES</u>		
Opening Stock	-	1,954,660.70
Less: Closing Stock	<u>2,077,500.00</u>	-
	<u>(2,077,500.00)</u>	<u>1,954,660.70</u>
SCHEDULE - 14		
<u>ADMINISTRATIVE & OTHER EXPENSES</u>		
Salary, Bonus and other allowances	4,788,672.00	3,220,318.00
Staff Welfare Expenses	140,991.00	199,782.00
Employer's Cont. to P.F.	47,334.00	-
Grauity	200,776.00	-
Travelling and Conveyance	1,571,045.89	1,127,958.90
Printing and Stationary	436,774.50	112,943.15
Donation	-	500,000.00
Postage & Couriers	153,130.55	66,052.00
Telephone Expenses	515,651.06	521,300.82
Rent	541,900.00	404,400.00
Electricity Charges	683,665.00	309,775.08
Motor Car Expenses	52,569.42	71,251.00
Computer Maintenance	294,232.00	139,049.00
Miscellaneous Expenditure	775,170.03	963,133.50
Filing Fees	2,000.00	2,500.00
Business Promotion Expenses	1,416,402.00	681,837.45
Repair & Maintenance	150,571.00	-
Office Maintenance	725,555.00	687,314.24
Professional Fees	7,047,551.00	99,331.40
Insurance	4,912.00	5,721.00
Fees & Subscriptions	172,532.00	207,282.00
Advertisement	-	51,350.00
Bank Charges & Commission	1,247.30	6,263.43
Interest Paid (Misc)	165,400.00	68,591.00
Director Meeting Fees	28,000.00	20,000.00
	<u>19,916,081.75</u>	<u>9,466,153.97</u>



SCHEDULES TO AND FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2008

SCHEDULES – 15

A) ACCOUNTING POLICIES :

1. Basis of Accounting:

The Financial statements are prepared under the historical cost convention on accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles as acceptable in India and are on the basis of a going concern.

2. Use of Estimates

The Preparation of the financial statements in conformity with the accounting standards generally accepted in India requires, the management to make estimates that affect the reported amount of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statement and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates.

3. Revenue Recognition

Revenue from merchant banking services is recognized as revenue as invoiced to clients on performance / parts performance of assignment based on the agreement of the assignment.

Transactions in respect of Dealing in Securities are recognized on trade dates.

Interest Income from financing activities and others is recognized on accrual basis.

Dividend Income on shares is recognized on receipt basis.

4. Fixed Assets

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

5. Depreciation

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

6. Impairment of Fixed Assets

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

7. Investment

Long Term Investments are stated at cost. Provision for diminution in value, other than temporary is considered whenever necessary.



SCHEDULES TO AND FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2008

SCHEDULES –15 : NOTES ON ACCOUNTS (Contd.)

8. Stock-in-Trade

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

9. Earning Per Share

Basic Earning 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.

10. Taxation

Tax expenses comprises of current, deferred and fringe benefit 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.

Fringe Benefit Tax is determined in accordance with the provisions of the Income Tax Act 1961.

Deferred Tax is recognized, 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 Assets are recognized and carried forward only to the extent there is reasonable certainty that sufficient future taxable income will be able against which such asset item will be realized.

11. Retirement Benefits:

a) Defined Contribution Plans

Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective fund.

b) Defined Benefit Plans

Gratuity liability are provided for based on actuarial valuation made at the end of each financial year using the projected unit credit method Actuarial gain and losses are recognized immediately in the statement of Profit & Loss Account as income or expenses. At present the Gratuity is not funded.

c) Leave encashment is accounted for at the time of payment and no such carryover of unencashed leave is allowed. No other retirement benefits are payable by the Company

12. Provisions, Contingent Liabilities & Contingent Assets

A provision is recognized when the company has present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and reliable estimate can be made for the amount of the obligation. Contingent liabilities are not recognized but disclose by way of notes to the accounts. Contingent assets are neither recognized nor disclosed in the financial statements

B) NOTES ON ACCOUNTS :

1. In the opinion of the Board and to the best of their knowledge and belief the realisable value of Current Assets in the ordinary course of business, would not be less than the amount at which they are stated at the Balance Sheet. Provision for all known liabilities



SCHEDULES TO AND FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2008

SCHEDULES –15 : NOTES ON ACCOUNTS (Contd.)

are provided for in full in the book of accounts and the same are adequate and not in excess of the amount reasonably necessary.

2. Contingent Liability :

The Company has given guarantee (jointly with three other guarantors) to a bank in favour of M/s. Ashika Stock Broking Ltd., a Company under the same management. The outstanding liabilities to the bank as at the Balance Sheet is Rs. 2350 lacs.

3. Auditor's Remuneration includes (excluding Service Tax) :

Particulars	2007-2008 (Rs.)	2006-2007 (Rs.)
For Statutory Audit	41,000.00	16,000.00
For Tax Audit	10,000.00	5,000.00
For Certification & other Professional Services	1,000.00	40,500.00
Total	52,000.60	61,500.00

4. Margin Money Deposits under Loans & Advances (Schedule – 8) represents Rs. 3,50,00,000/- as Margin Money Deposits to M/s. Ashika Stock Broking Ltd, a Company under the same management.

5. Other Advances under Loans & Advances (Schedule – 8) represents Rs.1,87,975.51 (audit reversals), due from Mr. Pawan Jain, one of the Directors of the Company.

6. Other Liability under Current Liabilities (Schedule – 9) represents Rs.10,70,298.34 due to M/s. Ashika Stock Broking Ltd., a Company under same management .

7. There are no Micro and Small Enterprises to whom the company owes which are outstanding for more than 45 days as at 31st March, 2008. This Information has been provided to the extent the company has identified such parties based on information available with it and has been relied upon by the auditors.

8. Transactions in Foreign Currency – Rs. 1,50,343.20 received as Advance from Customers (Previous Year – Nil).

9. The components of Deferred Tax Assets / (Liabilities) are :

	Deferred Tax Assets / (Liabilities) as at 01/04/2007	Current Year Charge/(Credit)	Deferred Tax Assets / (Liabilities) as at 31/03/2008
Difference between book depreciation and tax depreciation on Fixed Assets	(3,29,772.22)	(59,154.78)	(3,88,927.00)
Provision for Graduity	32,466.00	62,040.00	94,506.00
Total Net	(2,97,306.22)	2,885.22	(2,94,421.00)



SCHEDULES TO AND FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2008

SCHEDULES –15 : NOTES ON ACCOUNTS (Contd.)

10. Additional information as required under Schedule VI to the Companies Act, 1956:

a) Particulars in respect of Opening Stock, Purchases and Closing Stock of Shares & Units etc :

	Face Value	As at 31st March, 2008		As at 31st March, 2007	
		Qty.	Amount	Qty.	Amount
Opening Stock					
Ordinary Shares (Quoted)	10/-	NIL	NIL	19450	1954661
Ordinary Shares (Quoted)	2/-	NIL	NIL	NIL	NIL
Purchases :					
Ordinary Shares (Quoted)	10/-	15000	6042119	85000	20605865
Ordinary Shares (Quoted)	2/-	NIL	NIL	1000	639993
Sales :					
Ordinary Shares (Quoted)	10/-	1000	3825312	104450	22817296
Ordinary Shares (Quoted)	2/-	NIL	NIL	1000	665590
Closing Stock :					
Ordinary Shares (Quoted)	10/-	5000	2077500	NIL	NIL
Ordinary Shares (Quoted)	2/-	NIL	NIL	NIL	NIL

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

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

NAME OF THE SCRIPT	Face Value	CLOSING STOCK AS ON 31/03/2008		CLOSING STOCK AS ON 31/03/2007	
		Qty (Nos.)	Amount (Rs.)	Qty. (Nos.)	Amount (Rs.)
Shares - Ordinary (Fully Paid)					
Quoted :					
Subhkem Capital Ltd.	10/-	5000	2077500.00	-	-
TOTAL		5000	2077500.00	-	-

11. Earning Per Share

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

Particulars	Amount (Rs.)	
	2007-2008	2006-2007
Profit considered for calculating EPS (Net Profit/(Loss) after Tax)	3860065.19	182150.64
Weighted average number of Equity Shares (Nos.)	1050000	1050000
Nominal value of Equity Shares	10.00	10.00
Basic and Diluted Earnings per Share (Rs.)	3.68	0.17



SCHEDULES TO AND FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2008

SCHEDULES –15 : NOTES ON ACCOUNTS (Contd.)

12. Segment Reporting :

Segment Information for the year ended 31st March, 2008. Primary Segment information (by business segment)

Sl. No.	Particulars	Merchant Banking Services	Others	Total
1)	Segment Revenue	2,38,74,032.00	65,25,891.76	3,03,99,923.76
2)	Segment Results	1,72,36,532.00	25,56,672.32	1,97,93,204.32
	Less: Unallocated Expenses			1,39,99,075.35
	Operating Profit			57,94,128.97
	Less: Interest Expenses			NIL
	Profit before Tax			57,94,128.97
	Less: Provision for Taxes			19,82,557.78
	Profit after Tax			38,11,571.19
3)	Segment Assets	16,40,660.00	1,22,77,500.00	1,39,18,160.00
	Unallocated Corporate Assets			6,10,07,678.70
	Total Assets			7,49,25,538.70
4)	Segment Liabilities	70,59,871.20	33,75,000.00	1,04,34,871.20
	Unallocated Corporate Liabilities			6,44,90,667.50
	Total Liabilities			7,49,25,538.70
5)	Capital Expenditure			8,86,234.00
6)	Depreciation			5,98,190.00
7)	Non Cash Expenditure other than Depreciation			NIL

Note:

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

13. Gratuity & Other post-retirement benefit plans :

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972. The scheme is unfunded.

The current year being the first year of adoption of AS 15 (revised) by the Company, the previous year's comparative information have not been furnished.

The following tables summarize the components of net benefit expenses recognized in the Profit & Loss Account and amounts recognized in the balance sheet for the respective plan.

**SCHEDULES TO AND FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2008****SCHEDULES –15 : NOTES ON ACCOUNTS (Contd.)**

	(Amount in Rs.) 2007-2008
(i) Net Employee Expense /(benefit)	
Current service cost	1,85,276
Interest cost on benefit obligation	16,436.56
Expected return on plan assets	-
Net Actuarial gain /loss recognized in the year.	(936.56)
Total employer expense recognized in Profit and Loss Account	2,00,776
(ii) Benefit Asset/(Liability)	
Defined benefit obligation	(3,05,845)
Fair value of Plan Assets	-
Benefit Asset/(Liability)	(3,05,845)
(iii) Movement in benefit liability	
Opening defined benefit obligation	1,05,069
Interest cost	16,437
Current service cost	185,276
Benefits paid	-
Actuarial (gains)/losses on obligation	(937)
Closing benefit obligation	3,05,845
(iv) The principal actuarial assumptions are as follows	
Discount rate	7.50%
Salary increase	5.00%
Withdrawal rates	
Varying between 2% and 1% per annum depending upon the duration and age of the employees	
(v) Amount incurred as expense for defined contribution plans	
Contribution to Provident / Pension fund	47,334
(vi) The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factor, such as supply and demand in the employment market.	
(vii) The Company as on the balance sheet date does not have any employee who has completed five years of service. Therefore, although the provision for gratuity has been made as at year end, the Company has not contributed any amount to the gratuity fund. The Company expects to contribute Rs 3,05,845/- to Gratuity fund in 2008-2009.	



SCHEDULES TO AND FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2008

SCHEDULES –15 : NOTES ON ACCOUNTS (Contd.)

(viii) Amounts for the current period are as follows :	2007-08
Gratuity	
Defined Benefit Obligation	3,05,845
Plan Assets	-
Surplus / (Deficit)	(3,05,845)
Experience adjustments on plan liabilities	Not Available*

* The management has relied on the overall actuarial valuation conducted by the actuary. However, experience adjustment on plan liabilities are not readily available and hence not disclosed.

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

Related Parties	Nature of Relationship
Ashika Credit Capital Ltd.	Holding Company
Ashika Insurance Broking & Risk Management Pvt. Ltd.	Subsidiary Company
Ashika Properties Pvt. Ltd. (upto 04.12.2007)	
Mr. Pawan Jain	Directors
Mr. Daulat Jain	
Ashika Global Securities Ltd.	Enterprises in which the Key Management
Ashika Stock Broking Limited	Personnel and their relatives have control and
Ashika Properties Private Ltd.	significant influence
Ashika Global Finance Private Ltd. (Formerly: Ashika Agro Projects Pvt. Ltd.)	



SCHEDULES TO AND FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2008

SCHEDULES –15 : NOTES ON ACCOUNTS (Contd.)

b) Transactions during the year with Related parties

Particulars	Holding Company	Subsidiary Company	Directors	Enterprises in which the Directors & their relatives have control and significant influence	Total
Advances Received					
Opening Balance	-	-	-	-	-
Received during the year	-	-	5200000/-	4000000/-	9200000/-
Repaid during the year	-	-	5200000/-	4000000/-	9200000/-
Closing Balance	-	-	-	-	-
Advances Given					
Opening Balance	-	-	-	-	-
Received during the year	4700000/-	-	-	-	4700000/-
Repaid during the year	4700000/-	-	-	-	4700000/-
Closing Balance	-	-	-	-	-
Margin Money Given					
Opening Balance	-	-	-	-	-
Received during the year	-	-	-	117000000/-	117000000/-
Repaid during the year	-	-	-	82000000/-	82000000/-
Closing Balance	-	-	-	35000000/-	35000000/-
Advance / Receivable	-	-	187975/-	-	187975/-
Payables	-	-	-	1070298/-	1070298/-
Purchase / Sale of Securities					
Purchase	-	-	-	2667119/-	2667119/-
Sales	-	-	20000000/-	9716791/-	29716791/-
Expenditure					
Rent Paid	-	120000/-	-	-	120000.00
Director's Meeting Fees	-	-	14,000.00	-	14,000.00
Depository Charges	-	-	-	786.52	786.52

15. None of the Fixed Assets of the Company are considered impaired as on the Balance Sheet date.
16. Previous year's figures have been re-arranged or re-grouped wherever necessary to conform with current year's presentation.

Signature to Schedule 1 to 15

P. K. SAH, FCA
Partner

For and on behalf of
Sah Lodha & Associates
Chartered Accountants

For and on behalf of the Board

Pawan Jain (Director)
Daulat Jain (Director)
Anshika Haldia (Company Secretary)

Place : Kolkata
Dated : 18th June, 2008

ASHIKA CAPITAL LIMITED



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

I. Registration Details :

(Figure in '000)

Registration No. :

- - - - 91674

State Code : - - - - - 21

Balance Sheet Date :

31 03 2008

Date Month Year

II. Capital Raised During the Year :

Public Issue

- - - - - NIL

Right Issue

- - - - - NIL

Bonus Issue

- - - - - NIL

Private Placement

- - - - - NIL

III. Position of Mobilisation and Deployment of Funds :

(Amount in Rs.'000)

Total Liabilities

74926

Total Assets

74926

Sources of Funds

Paid up Capital

10500

Reserves & Surplus

48232

Secured Loans

- - - - - NIL

Unsecured Loans

- - - - - NIL

Application of Funds

Net Fixed Assets

7009

Investments

10200

Net Current Assets*

41817

Misc. Expenditure

NIL

Accumulated Losses

- - - - - NIL

Deferred Tax Assets/(Liabilitise)

(-)294

IV. Performance of Company :

Turnover

Total Expenditure

24606

+ - Profit/Loss before Tax

- - - - - 5864

+ - Profit after Tax

- - - - - 3860

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

Earning Per Share

- - - - - 3.68

Dividend Rate%

- - - - - NIL

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

Item Code No. (ITC Code A)

N.A.

Product Description

MERCHANT BANKING, FINANCIAL SERVICES

Note : Figures are rounded off to nearest Rupee

As per our report of even date

P. K. SAH, FCA
Partner

For and on behalf of
Sah Lodha & Associates
Chartered Accountants

For and on behalf of the Board

Pawan Jain Director
Daulat Jain Director
Anshika Haldia Company Secretary

Place : Kolkata
Dated : 18th June, 2008

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008**

	Year ended 31st March 2008 <u>Rs.</u>	Year ended 31st March 2007 <u>Rs.</u>
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax	5,864,308.97	765,510.42
<i>Adjustments for :</i>		
Depreciation on Fixed Assets	598,190.00	562,120.50
Preliminary & Pre-Operative Expenses W/off	-	13,025.80
(Profit)/Loss on Sale of Investments	(435,633.55)	1,610.00
Interest on Fixed Deposit with Bank	(682,913.96)	-
Provision for Gratuity	200,776.00	-
Interest / Dividend Income on Investments	-	(4,000.00)
Operating Profit Before Working Capital Changes	5,544,727.46	1,338,266.72
<i>Adjustments for :</i>		
(Increase) / Decrease in Stock In Trade	(2,077,500.00)	1,954,660.70
(Increase) / Decrease in Trade Receivables	(1,446,010.25)	137,430.00
(Increase) / Decrease in Loans and Advances	(39,026,417.51)	22,769,435.00
Increase / (Decrease) in Trade Payables	11,838,302.84	(10,405,104.40)
Cash Generated From Operations	(25,166,897.46)	15,794,688.02
<i>Adjustments for :</i>		
Direct Tax Refunds / (Paid)	(3,191,630.32)	(767,629.40)
Net Cash From Operating Activities	(28,358,527.78)	15,027,058.62
B. CASH FLOW FROM INVESTING ACTIVITIES		
<i>Add / (Less):</i>		
Purchase of Fixed Assets	(96,926.00)	(2,216,617.00)
Purchase of Investments	(40,000,000.00)	(23,319,291.00)
Sale of Investments	65,964,168.35	22,589,147.00
Interest on Fixed Deposit with Bank	682,913.96	-
Interest / Dividend Income on Investments	-	4,000.00
Net Cash from Investing Activities	26,550,156.31	(2,942,761.00)


**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008
(Contd.)**

	Year ended 31st March 2008 <u>Rs.</u>	Year ended 31st March 2007 <u>Rs.</u>
C. CASH FLOW FROM FINANCING ACTIVITIES	-	-
Net Increase In Cash And Cash Equivalents (A+B+C)	(1,808,371.47)	12,084,297.62
Cash And Cash Equivalents As At The Beginning Of The Year	13,650,433.90	1,566,136.28
Cash And Cash Equivalents As At The Close Of The Year	11,842,062.43	13,650,433.90

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

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

As per our attached report of even date

Place : Kolkata Dated : 18th June, 2008	P. K. SAH, FCA <i>Partner</i> For and on behalf of Sah Lodha & Associates <i>Chartered Accountants</i>	For and on behalf of the Board Pawan Jain (Director) Daulat Jain (Director) Anshika Haldia (Company Secretary)
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**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
RELATING TO SUBSIDIARY COMPANIES**

NAME OF THE SUBSIDIARY COMPANY	ASHIKA INSURANCE BROKING AND RISK MANAGEMENT PVT. LTD.
1 Financial Year of the Subsidiary ended on	March 31, 2008
2. Share of subsidiary Company held on the above date and extent of holding i) Equity Shares ii) Extent of holding (%)	520000 Equity shares of Rs.10/- each 99.58%
3. Net aggregate amount of Profit / Loss of Subsidiary for the above financial year so far as they concern members of Ashika Credit Capital Limited i) Dealt with in the accounts of Ashika Capital Limited ii) Not dealt with in the accounts of Ashika Capital Limited	NIL Loss of Rs. 15.445 Lacs
4. Net aggregate amount Profit / Losses for previous financial year of the subsidiary as far as it concern members of Ashika Credit Capital Limited i) Dealt with in the accounts of Ashika Capital Limited. ii) Not dealt with in the accounts of Ashika Capital Limited	NIL Loss of Rs. 1.298 Lacs
5. a) Changes in the holding Company's interest in the subsidiary between the end of the financial year of the subsidiary and the end of the holding Company's financial year. b) Material changes which have occurred between the end of the aforesaid Financial year of the subsidiary and the end of the holding Company's Financial year in respect of :	As the Closing of the Financial year of the subsidiary Company coincides with the closing of the Financial year of the holding Company i.e. M/s. Ashika Capital Limited, Section 212 (5) of the Act is not applicable. - do -

ASHIKA CAPITAL LIMITED



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

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

For and on behalf Of the Board

Pawan Jain
(Chairman)

Daulat Jain
(Director)

Place: Kolkata
Date: 18th day of June, 2008

Anshika Haldia
(Company Secretary)



ASHIKA CAPITAL LIMITED

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



Growing & Sharing with You

**FIFTH ANNUAL REPORT
2007-2008**

BOARD OF DIRECTORS

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

AUDITORS

SAH LODHA & ASSOCIATES
CHARTERED ACCOUNTANTS
58/D, NETAJI SUBHASH ROAD
3RD FLOOR, ROOM NO.316
KOLKATA – 700 001

BANKERS

CITI BANK
TAMILNAD MERCANTILE BANK LTD.
HDFC BANK LTD.

REGISTERED OFFICE

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



DIRECTORS' REPORT

Dear Shareholders,

With great pleasure your Directors present the Fifth Annual Report of the Company together with the audited Statement of Accounts for the year ended 31st March 2008.

Financial Performance :

A brief details of the financial performance of the Company for the year ended 31st March, 2008 is as follows:

Financial Results For The Year Ended	31st March 2008	31st March 2007
Total Income	912,620.33	388,471.13
Profit/(Loss) before depreciation and tax	(2,158,075.38)	(414,760.12)
Less: Depreciation	17,536.00	3,945.00
Profit/(Loss) before Tax	(2,175,611.38)	(418,705.12)
Less: Provision for Taxation	(6,31,068.84)	(288,899.16)*
Profit / (Loss) after Tax	(1,544,542.54)	(129,805.96)
Balance brought forward from previous year	(593,796.28)	(463,990.32)
Transitional effect for Provision for Gratuity (Net)	27,228.00	0
Surplus Carried Forward	(2,165,566.82)	(593,796.28)

*Deferred Tax Liabilities/Assets

Dividend:

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

Directors :

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

Auditors' Report:

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

Compliance Certificate:

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



Auditors:

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

Material changes and commitments:

There have been no material changes and commitments affecting the financial position of the company, which have occurred since March 31 2008, being the end of the Financial Year of the Company.

Statutory and Other Information:

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

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

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

Directors Responsibility Statement :

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

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

Acknowledgements:

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

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

For and on behalf of the Board of Directors

Place: Kolkata
Date: 18.06.2008

(**Pawan Jain**)
Chairman



AUDITORS' REPORT

To The Members of

ASHIKA INSURANCE BROKING & RISK MANAGEMENT PRIVATE LIMITED

1. We have audited the attached Balance Sheet of **Ashika Insurance Broking & Risk Management Private Limited** (the 'Company') as at 31st March, 2008 and the relative Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standard generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also include assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order 2003, issued by the Central Government of India in accordance to section 227(4A) of the Companies Act 1956, and on the basis of our checks as we considered appropriate and according to information and explanations given to us during the course of our audit, we enclose in the Annexure, a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that :
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purposes of the audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors as on 31st March, 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of sub section 1(g) of section 274 of the Companies Act, 1956;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the schedules and notes thereon and attached thereto give the information required by the Companies Act, 1956 in conformity with the accounting principles generally accepted in India and give a true and fair view:-
 - i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2008;
 - ii) In the case of Profit and Loss Account of the Loss for the year ended on 31st March, 2008; and
 - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on 31st March, 2008.

For SAH LODHA & ASSOCIATES
Chartered Accountants

58D, Netaji Subhash Road,
Kolkata - 700 001

Date: 18th June, 2008

(P. K. SAH, FCA)
Partner
Mem. No. 56216



**ANNEXURE TO THE AUDITORS' REPORT- ASHIKA INSURANCE
BROKING & RISK MANAGEMENT PRIVATE LIMITED
[Referred to in paragraph (3) of our report of even date]**

- (i) (a) The Company, we have been informed, has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As per information and explanations given to us, the fixed assets have been physically verified by the management at reasonable intervals under a phased programme. We have been informed, no material discrepancies have been found on such physical verifications.
- (c) The Company has not disposed off substantial part of its fixed assets during the year.
- (ii) Since the Company does not have any inventory, the clauses relating to it are not applicable.
- (iii) The Company has not granted or taken any loans, secured and unsecured to companies, firms or other parties covered in the Register maintained u/s.301 of the Companies Act, 1956 and accordingly su clauses (a) to (f) to clause (iii) of the said order are not applicable to the Company for the year under review.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for sale of services. We have not observed any continuing failure to correct major weaknesses in such internal controls.
- (v) (a) According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so recorded in the register.
- (b) In our opinion and according to the information and explanations given to us, where each of such transactions is in excess of Rs.5 Lacs in respect of any party, the transactions have been made at prices which are, prima-facie, reasonable having regard to the prevailing market prices at the relevant time
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public within the meaning of the section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the companies (Acceptance of Deposits) Rules, 1975 with regard to the deposit accepted from the public.
- (vii) In our opinion and according to the information and explanations given to us, the Company does not have any formal internal audit system but we are being informed that the internal control is exercised departmentally.
- (viii) According to the information and explanations given to us, the maintenance of cost records prescribed by the Central Government under clause (d) of sub-section (1) of Section 209 of the Act is not applicable to the Company.
- (ix) (a) According to the records of the Company and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Service Tax, Cess and other material statutory dues as applicable to it with the appropriate authorities during the year.
- (b) According to the information and explanations given to us, as at the Balance Sheet date, there were no disputed dues payable in respect of Sales Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and cess.



ANNEXURE TO THE AUDITORS' REPORT

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

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

SAH LODHA & ASSOCIATES
Chartered Accountants

(P. K. SAH, FCA)
Partner

Place : Kolkata
Date: 18th June, 2008

Mem. No. 56216

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



BALANCE SHEET AS AT 31ST MARCH, 2008

	SCHEDULES	As at 31st March, 2008 Rs.	As at 31st March, 2007 Rs.
<u>SOURCES OF FUNDS</u>			
SHAREHOLDERS' FUNDS			
Share Capital	1	5,222,000.00	5,222,000.00
Reserves And Surplus	2	90,000.00	90,000.00
LOAN FUNDS			
Unsecured Loans	3	-	1,426,319.00
TOTAL		5,312,000.00	6,738,319.00
<u>APPLICATION OF FUNDS</u>			
FIXED ASSETS			
Gross Block	4	250,895.00	55,345.00
Less: Depreciation		21,481.00	3,945.00
Net Block		229,414.00	51,400.00
CURRENT ASSETS, LOANS & ADVANCES			
Sundry Debtors	5	280,786.17	-
Cash & Bank Balances	6	1,886,090.93	5,621,337.27
Other Current Assets	7	457,704.65	184,259.69
		2,624,581.75	5,805,596.96
LESS :- CURRENT LIABILITIES & PROVISIONS	8	700,125.17	110,547.00
Net Current Assets		1,924,456.58	5,695,049.96
DEFERRED TAX ASSETS / (LIABILITIES)		938,967.00	290,882.16
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)			
Preliminary Expenses		22,620.00	45,240.00
Pre-Operative Expenses		30,975.60	61,950.60
PROFIT & LOSS ACCOUNT (DR BALANCE)		2,165,566.82	593,796.28
TOTAL		5,312,000.00	6,738,319.00
ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS	10		

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

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

Place : Kolkata Dated : 18th June, 2008	P. K. SAH, FCA Partner For and on behalf of Sah Lodha & Associates Chartered Accountants	For and on behalf of the Board Pawan Jain Director Daulat Jain Director
--	--	--



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

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2008

SCHEDULES	Year ended	Year ended
	31st March, 2008	31st March, 2007
	Rs.	Rs.
INCOME		
Insurance Brokerage (Subject to TDS Rs.159,493.69, P.Y 7,727/-)	798,738.80	35,571.70
Interest on Fixed Deposit with Banks (Subject to TDS Rs.20,798.31, P.Y. Rs 79,190.64)	113,881.53	352,899.43
	912,620.33	388,471.13
EXPENDITURE		
Administrative & Other Expenses 9	3,004,740.71	707,850.25
Interest on Loans	-	33,934.00
Auditors' Remuneration	12,360.00	7,852.00
Preliminary Expenses written off	22,620.00	22,620.00
Pre-Operative Expenses written off	30,975.00	30,975.00
	3,070,695.71	803,231.25
PROFIT BEFORE DEPRECIATION AND TAXATION	(2,158,075.38)	(414,760.12)
Less : Depreciation	17,536.00	3,945.00
PROFIT / (LOSS) BEFORE TAXATION	(2,175,611.38)	(418,705.12)
Less : Provision for Taxation		
- Current Tax	-	-
- Fringe Benefit Tax	4,840.00	-
- Deferred Tax Liabilities / (Assets) (refer note no.B(6) in Schedule - 10)	(635,908.84)	(288,899.16)
PROFIT / (LOSS) AFTER TAXATION	(1,544,542.54)	(129,805.96)
Add : Balance Profit / (Loss) Brought Forward from Previous Year	(593,796.28)	(463,990.32)
Less : Transitional Effect of Provision for Graviuty (Net)	27,228.00	-
PROFIT / (LOSS) CARRIED OVER TO BALANCE SHEET	(2,165,566.82)	(593,796.28)
Earnings per Share (in Rs.)	(2.96)	(0.25)

[Refer note no. B (7) in Schedule 10]

ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS **9**

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

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

Place : Kolkata Dated : 18th June, 2008	P. K. SAH, FCA Partner For and on behalf of Sah Lodha & Associates Chartered Accountants	For and on behalf of the Board Pawan Jain Director Daulat Jain Director
--	--	--



**SCHEDULES TO THE ACCOUNTS AS AT AND FOR THE YEAR ENDED
ON 31ST MARCH, 2008**

	As at 31st March 2008 <u>Rs.</u>	As at 31st March 2007 <u>Rs.</u>
SCHEDULE - 1		
<u>SHARE CAPITAL</u>		
Authorised		
30,00,000 Equity Shares of Rs.10/- each	<u>30,000,000.00</u>	<u>30,000,000.00</u>
Issued, Subscribed & Paid Up		
522200 Equity Shares of Rs.10/- each		
Called and Fully Paid Up in cash	<u>5,222,000.00</u>	<u>5,222,000.00</u>
 SCHEDULE - 2		
<u>RESERVES & SURPLUS</u>		
Share Premium Account		
Balance as per last account	<u>90,000.00</u>	<u>90,000.00</u>
 SCHEDULE - 3		
<u>UNSECURED LOANS</u>		
<i>(Including Accrued Interest)</i>		
Inter-Corporate Deposits	<u>-</u>	<u>1,426,319.00</u>
 SCHEDULE - 5		
<u>SUNDRY DEBTORS</u>		
Debts exceeding a period of six months	-	-
Other debts	<u>280,786.17</u>	-
	<u>280,786.17</u>	-
 SCHEDULE - 6		
<u>CASH AND BANK BALANCES</u>		
Cash in Hand	<u>816,581.50</u>	139,564.00
<i>(As certified by Directors)</i>		
Balances with Scheduled Banks :		
<i>In Fixed Deposit Account -</i>		
HDFC Bank Limited	<u>1,050,000.00</u>	5,272,000.00
<i>In Current Accounts -</i>		
Tamilnad Mercantile Bank Ltd.	<u>14,138.35</u>	10,596.35
HDFC Bank Limited	-	193,805.84
Citi Bank, N.A.	<u>5,371.08</u>	5,371.08
	<u>1,886,090.93</u>	<u>5,621,337.27</u>



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

SCHEDULES TO THE ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2008

**SCHEDULE - 4
FIXED ASSETS**

PARTICULARS	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK		
	As at 1st April, 2007 (Rs.)	Additions/ Adjustments (Rs.)	Withdrawals/ Adjustments (Rs.)	As at 31st Mar 2008 (Rs.)	As at 1st April 2007 (Rs.)	For the Period (Rs.)	Deductions/ Adjustments (Rs.)	As at 31st Mar 2008 (Rs.)	As at 31st Mar 2007 (Rs.)
Tangible Assets									
Computer	25,345.00	95,706.00	-	121,051.00	1,677.00	11,147.00	-	108,227.00	23,668.00
Air Conditioner	-	45,000.00	-	45,000.00	-	18.00	-	44,982.00	-
Furniture & Fixtures	-	54,844.00	-	54,844.00	-	371.00	-	54,473.00	-
Intangible Assets									
Softwares	30,000.00	-	-	30,000.00	2,268.00	6,000.00	-	21,732.00	27,732.00
TOTAL	55,345.00	195,550.00	-	250,895.00	3,945.00	17,536.00	-	229,414.00	51,400.00
TOTAL OF PREVIOUS YEAR	-	55,345.00	-	55,345.00	-	3,945.00	-	51,400.00	-

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



**SCHEDULES TO THE ACCOUNTS AS AT AND FOR THE YEAR ENDED
ON 31ST MARCH, 2008**

	As at 31st March, 2008 Rs.	As at 31st March, 2008 Rs.
SCHEDULE - 7		
OTHER CURRENT ASSETS		
Interest Accrued but not due on Fixed Deposits with Banks	134,378.87	63,207.24
Staff Advances	7,000.00	-
Security Deposits : Telephone	3,000.00	3,000.00
Prepaid Expense : Insurance	14,981.33	-
Pre-paid Taxes :		
Tax Deducted at Sources (Ass Yr. 2008 - 09)	180,292.00	86,917.64
Tax Deducted at Sources (Ass Yr. 2007 - 08)	86,917.64	-
Tax Deducted at Sources (Ass Yr. 2006 - 07)	31,134.81	31,134.81
	<u>457,704.65</u>	<u>184,259.69</u>
SCHEDULE - 8		
CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
Creditors for Fixed Assets	45,000.00	25,345.00
Creditors for Expenses	-	-
Salary Payable	315,969.00	38,527.00
Telephone Charges Payable	-	1,580.00
Printing & Stationery	21,000.00	-
Auditor's Remuneration Payable	11,236.00	5,618.00
Others :		
Service Tax Payable	64,074.61	-
Education Cess Payable	1,183.58	-
Professional Tax on Employees Payable	11,740.00	2,315.00
TDS Payable	110,834.00	35,179.00
Temporary Overdraft with Bank :		
HDFC Bank Ltd.	27,392.98	-
Provisions		
For Fringe Benefit Tax (Asst. Year 2008 - 09)	4,840.00	-
For Fringe Benefit Tax (Asst. Year 2007 - 08)	-	1,983.00
For Gratuity	86,855.00	-
	<u>700,125.17</u>	<u>110,547.00</u>
SCHEDULE - 9		
ADMINISTRATIVE & OTHER EXPENSES		
Salary, Bonus & Allowances	2,212,450.00	548,513.00
Staff Welfare	3,968.50	-
Gratuity	47,451.00	-
Travelling & Conveyance	58,578.00	3,995.00
Printing & Stationery	67,322.00	9,792.50
Postage & Courier	14,789.00	840.00
Telephone Charges	92,717.54	25,479.35
Computer Maintenance Charges	5,949.00	-
Filing Fees	11,500.00	2,500.00
Rates & Taxes	2,500.00	2,500.00
General Expenses	15,747.00	4,286.00
Training Expense	21,854.00	-
Business Promotion Expense	328,129.00	-
Books & Periodicals	11,370.00	460.00
Professional Fees	25,188.00	52,578.40
Insurance	7,490.67	-
Fees & Subscription	43,005.00	46,739.00
Advertisement	32,857.00	9,267.00
Bank Charges & Commission	783.00	606.00
Interest Paid (Misc)	1,092.00	294.00
	<u>3,004,740.71</u>	<u>707,850.25</u>



**SCHEDULES TO AND FORMING PART OF ACCOUNTS AS AT AND FOR
THE YEAR ENDED ON 31ST MARCH, 2008**

SCHEDULE – 10

ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

A) ACCOUNTING POLICIES :

1. Basis of Accounting :

The Financial Statements are prepared under historical cost convention on accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles as acceptable in India and are on the basis of a going concern.

2. Use of Estimates :

The Preparation of the financial statements in conformity with the accounting standards generally accepted in India requires, the management to make estimates that affect the reported amount of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statement and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates.

3. Revenue Recognition :

All Income and Expenditure are accounted for on accrual basis.

4. Fixed Assets :

a) Tangible Assets

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

b) Intangible Assets

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

5. Depreciation / Amortization :

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

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

6. Impairment of Fixed Assets :

An asset is treated as impaired when carrying cost of asset exceeds its recoverable amount. An impairment loss is charged to the profit & loss account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period, if any is reversed if there has been a change in the estimate of the recoverable



**SCHEDULES TO THE ACCOUNTS AS AT AND FOR THE YEAR ENDED
ON 31ST MARCH, 2008**

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

7. Miscellaneous Expenditure :

a) Preliminary Expenses

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

b) Pre-Operative Expenses

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

8. Earning Per Share :

Basic Earning 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.

9. Taxation :

Tax expenses comprises of current, deferred and fringe benefit 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.

Fringe Benefit Tax is determined in accordance with the provisions of the Income Tax Act 1961.

Deferred Tax is recognized, 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 Assets are recognized and carried forward only to the extent there is reasonable certainty that sufficient future taxable income will be able against which such asset item will be realized.

10. Retirement Benefits:

a) Defined Contribution Plans

Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective fund.

b) Defined Benefit Plans

Gratuity liability are provided for based on actuarial valuation made at the end of each financial year using the projected unit credit method Actuarial gain and losses are recognized immediately in the statement of Profit & Loss Account as income or expenses. At present the Gratuity is not funded.

c) Leave encashment is accounted for at the time of payment and no such carryover of unencashed leave is allowed. No other retirement benefits are payable by the Company.



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

**SCHEDULES TO THE ACCOUNTS AS AT AND FOR THE YEAR ENDED
ON 31ST MARCH, 2008**

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

11. Provisions, Contingent Liabilities & Contingent Assets :

A provision is recognized when the company has present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and reliable estimate can be made for the amount of the obligation. Contingent liabilities are not recognized but disclose by way of notes to the accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

B) NOTES TO THE ACCOUNTS :

1. In the opinion of the Board and to the best of their knowledge and belief the realizable value of current assets made in the ordinary course of business would not be less than the amount stated in the Balance Sheet. Provision for all known liabilities are provided in full in the books of accounts and the same are adequate and not in excess of the amount reasonably necessary.
2. The Company has no contingent liabilities as on Balance Sheet date.

3. Auditors' Remuneration includes :

<u>Particulars</u>	2007-2008 (Rs.)	2006-2007 (Rs.)
For Statutory Audit	10,000.00	5,000.00
For Certification & other Professional Services	1,000.00	2,000.00
For Service Tax	1,360.00	852.00
Total	12,360.00	7,852.00

4. There are no Micro and Small Enterprises to whom the company owes which are outstanding for more than 45 days as at 31st March, 2008. This Information has been provided to the extent the company has identified such parties based on information available with it and has been relied upon by the auditors.
5. Transactions in Foreign Currency Nil (Previous Year : Nil)
6. The components of Net Deferred Tax Assets/ (Liabilities) are:

	Deferred Tax Assets / (Liabilities) as at 01/04/2007	Current Year Charge / (Credit)	Deferred Tax Assets / (Liabilities) as at 31/03/2008
Difference between book depreciation and tax Depreciation on Fixed Assets	(4302.62)	(17514.38)	(21817.00)
Carried Forward Business Loss	289538.25	615952.75	905491.00
Carried Forward unabsorbed Depreciation	5646.53	22808.47	28455.00
Provisions for Gratuity	12176.00	14662.00	26838.00
Total (Net)	303058.16	635908.84	938967.00



**SCHEDULES TO THE ACCOUNTS AS AT AND FOR THE YEAR ENDED
ON 31ST MARCH, 2008**

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

7. Earnings Per Share

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

Amount (Rs.)

Particulars	2007-2008	2006-2007
Profit considered for calculating EPS (Net Profit after Tax)	(1544542.54)	(129805.96)
Weighted average number of Equity Shares (Nos.)	522200	522200
Nominal value of Equity Shares	10.00	10.00
Earnings per Share (Rs.)	(2.96)	(0.25)

8. Gratuity & Other post-retirement benefit plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972. The scheme is unfunded.

The current year being the first year of adoption of AS 15 (revised) by the Company, the previous year's comparative information have not been furnished.

The following tables summarize the components of net benefit expenses recognized in the Profit & Loss Account and amounts recognized in the balance sheet for the respective plan.

**(Amount in Rs.)
2007-08**

(i) Net Employee Expense /(benefit)

Current service cost	47451.00
Interest cost on benefit obligation	5050.36
Expected return on plan assets	-
Net Actuarial gain /loss recognized in the year.	(5050.36)
Total employer expense recognized in Profit and Loss Account	47451

(ii) Benefit Asset/(Liability)

Defined benefit obligation	(86,855.00)
Fair value of Plan Assets	-
Benefit Asset/(Liability)	(86855)



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

**SCHEDULES TO THE ACCOUNTS AS AT AND FOR THE YEAR ENDED
ON 31ST MARCH, 2008**

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

	(Amount in Rs.)
	<u>2007-08</u>
(iii) Movement in benefit liability	
Opening defined benefit obligation	39404.00
Interest cost	5050.36
Current service cost	47451.00
Benefits paid	-
Actuarial (gains)/losses on obligation	(5050.36)
Closing benefit obligation	86855.00
(iv) The principal actuarial assumptions are as follows	
Discount rate	7.50%
Salary increase	5.00%
Withdrawal rates	Varying between 2% and 1% per annum depending upon the duration and age of the employees
(v) Amount incurred as expense for defined contribution plans	
Contribution to Provident / Pension fund	-
(vi) The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factor, such as supply and demand in the employment market.	
(vii) The Company as on the balance sheet date does not have any employee who has completed five years of service. Therefore, although the provision for gratuity has been made as at year end, the Company has not contributed any amount to the gratuity fund. The Company expects to contribute Rs 3,05,845/- to Gratuity fund in 2008-2009.	
(viii) Amounts for the current period are as follows :	2007-08
Gratuity	
Defined Benefit Obligation	86855.00
Plan Assets	-
Surplus / (Deficit)	(86855.00)
Experience adjustments on plan liabilities	Not Available*
* The management has relied on the overall actuarial valuation conducted by the actuary. However, experience adjustment on plan liabilities are not readily available and hence not disclosed.	



**SCHEDULES TO THE ACCOUNTS AS AT AND FOR THE YEAR ENDED
ON 31ST MARCH, 2008**

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

2. Related Parties Disclosures :

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

Related Parties	Nature of Relationship
Mr. Daulat Jain	Directors
Mr. Pawan Jain	

Ashika Global Securities Ltd.	Enterprises in which Directors of the Company have control and significant influence
--------------------------------------	--

Transaction during the year with related parties :

The Company has received Rs.18,34,750/- as Share Application Money from M/s. Ashika Global Securities Ltd.during the year. However the full amount has been refunded to the Company.

10. The business of the Company falls within a single primary business segment viz. 'Insurance Broking', the disclosure requirement of Accounting Standard (AS-17) 'Segment Reporting' issued by the Institute of Chartered Accountants of India is not applicable.
11. Previous Year figures have been rearranged or re-grouped wherever necessary to conform with current year's presentations.

SIGNATURE TO SCHEDULES 1 TO 10

As per our report of even date

P. K. SAH, FCA
Partner

For and on behalf of
Sah Lodha & Associates
Chartered Accountants

For and on behalf of the Board

Pawan Jain *Director*
Daulat Jain *Director*

Place : Kolkata
Dated : 18th June, 2008



ASHIKA INSURANCE BROKING & RISK MANAGEMENT PRIVATE LIMITED

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

I. Registration Details :

Registration No. : State Code :

Balance Sheet Date :
Date Month Year

II. Capital Raised During the Year :

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

III. Position of Mobilisation and Deployment of Funds :

Sources of Funds Total Liabilities <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="2"/>	Total Assets <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="2"/>
Paid up Capital <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="5"/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="2"/>	Reserves & Surplus <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="9"/> <input type="text" value="0"/>
Application of Funds Secured Loans <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Unsecured Loans <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Net Fixed Assets <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="9"/>	Investments <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Net Current Assets <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="2"/> <input type="text" value="4"/>	Misc. Expenditure <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="5"/> <input type="text" value="3"/>
Accumulated Losses <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="6"/>	Deferred Tax Assets/(Liabilitise) <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="9"/> <input type="text" value="3"/> <input type="text" value="9"/>

IV. Performance of the Company :

Turnover <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="3"/>	Total Expenditure <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="8"/> <input type="text" value="8"/>
Profit/Loss before Tax <input type="text" value="-"/> <input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="7"/> <input type="text" value="6"/>	Profit after Tax <input type="text" value="-"/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="4"/> <input type="text" value="5"/>
(Please Tick Appropriate Box + for Profit – for Loss)	
Earning Per Share <input type="text" value="-"/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="6"/>	Dividend Rate% <input type="text" value="-"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

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

Item Code No. (ITC Code)

Product Description **INSURANCE BROKING SERVICES**

<p>Place : Kolkata Dated : 18th June, 2008</p>	<p>As per our report of even date P. K. SAH, FCA Partner For and on behalf of Sah Lodha & Associates Chartered Accountants</p>	<p>For and on behalf of the Board Pawan Jain Director Daulat Jain Director</p>
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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

	Year ended 31st March 2008 <u>Rs.</u>	Year ended 31st March 2007 <u>RS.</u>
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax	(2,175,611.38)	(418,705.12)
<i>Adjustments for :</i>		
Depreciation on Fixed Assets	17,536.00	3,945.00
Preliminary & Preoperative Expenses Written off	53,595.00	53,595.00
Provision for Gratuity	47,451.00	-
Interest on Fixed deposit with Bank	(113,881.53)	-
Interest Expenses	-	33,934.00
Operating Profit Before Working Capital Changes	(2,170,910.91)	(327,231.12)
<i>Adjustments for :</i>		
(Increase) / Decrease in Trade Receivables	(280,786.17)	-
(Increase) / Decrease in Other Current Assets	(93,152.96)	(118,685.89)
Increase / (Decrease) in Trade Payables	499,866.17	64,646.00
Cash Generated From Operations	(2,044,983.87)	(381,271.01)
<i>Adjustments for :</i>		
Interest Expenses	-	(33,934.00)
Direct Tax Refunds / (Paid)	(182,275.00)	(5,396.00)
Net Cash From Operating Activities	(2,227,258.87)	(420,601.01)
B. CASH FLOW FROM INVESTING ACTIVITIES		
<i>Add / (Less):</i>		
Purchase of Fixed Assets	(195,550.00)	(55,345.00)
Sale of Investments	-	20,000,000.00
Interest on Fixed Deposit with Bank	113,881.53	-
Net Cash from Investing Activities	(81,668.47)	19,944,655.00



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

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008
(Contd.)**

	Year ended 31st March 2008 Rs.	Year ended 31st March 2007 Rs.
C. CASH FLOW FROM FINANCING ACTIVITIES:		
<i>Add / (Less):</i>		
Capital Reduction	-	(20,888,000.00)
Short Term Borrowings	-	1,426,319.00
Payment of Short Term Borrowings	(1,426,319.00)	-
Net Cash Used In Financing Activities	(1,426,319.00)	(19,461,681.00)
Net Increase In Cash And Cash Equivalents (A+B+C)	(3,735,246.34)	62,372.99
Cash And Cash Equivalents As At The Beginning Of The Year	5,621,337.27	5,558,964.28
Cash And Cash Equivalents As At The Close Of The Year	1,886,090.93	562,337.27

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

Place : Kolkata Dated : 18th June, 2008	P. K. SAH, FCA <i>Partner</i> For and on behalf of Sah Lodha & Associates <i>Chartered Accountants</i>	For and on behalf of the Board Pawan Jain <i>Director</i> Daulat Jain <i>Director</i>
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**ASHIKA
PROPERTIES
PRIVATE
LIMITED**



Growing & Sharing with You

**THIRD ANNUAL REPORT
2007-2008**

BOARD OF DIRECTORS

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

AUDITORS

SAH LODHA & ASSOCIATES
CHARTERED ACCOUNTANTS
58/D, NETAJI SUBHASH ROAD
3RD FLOOR, ROOM NO. 316
KOLKATA – 700 001

BANKERS

CITI BANK
HDFC BANK LTD.

REGISTERED OFFICE

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



DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Third Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March 2008.

Financial Performance: Financial Performance of the Company for the year ended 31st March, 2008 is as follows:

(Amount in Rupees)

Financial Results For The Year Ended	31 st March 2008	31 st March 2007
Total Income	120,000.00	120,000.00
Profit/(Loss) before depreciation and tax	67,028.00	55,440.51
Less: Depreciation	-	-
Profit/(Loss) before Tax	67,028.00	55,440.51
Less: Provision for Taxation	25,956.00	28,274.00
Profit / (Loss) after Tax	41,072.00	27,166.51
Balance brought forward from previous year	27,166.51	-
Balance Transferred to Balance sheet	68,238.51	27,166.51

Dividend:

This is the third year, your company has not yet commenced its business. So keeping in view the expansion plans and further strengthening its financial position, your directors have decided to plough back the money into the business of the company and hence express their inability to declare any dividend for the year under review.

Director:

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

Auditors' Report:

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

Auditors:

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



Material changes and commitments:

There have been no material changes and commitments affecting the financial position of the company, which have occurred since March 31 2008, being the end of the Financial Year of the Company.

Compliance Certificate:

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

Statutory and Other Information:

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

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

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

Directors Responsibility Statement:

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

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

Acknowledgements:

Your Directors gratefully acknowledge the co operation and unstinted support received from RBI, banker, & other regulatory authorities, State Government and Central Government, clients. We look forward to receiving their continued support and encouragement.

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

For and on behalf of the Board of Directors

Place: Kolkata
Date : 18th June, 2008

(PAWAN JAIN)
Chairman cum Director



AUDITORS' REPORT

To The Members of

ASHIKA PROPERTIES PRIVATE LIMITED

1. We have audited the attached Balance Sheet of **Ashika Properties Private Limited** (the 'Company') as at 31st March, 2008 and the relative Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standard generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order 2003, issued by the Central Government of India in accordance to section 227(4A) of the Companies Act 1956, and on the basis of our checks as we considered appropriate and according to information and explanations given to us during the course of our audit, we enclose in the Annexure, a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that :
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purposes of the audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors as on 31st March 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of sub section 1(g) of section 274 of the Companies Act, 1956;

ASHIKA PROPERTIES PRIVATE LIMITED



- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the schedules and notes thereon and attached thereto give the information required by the Companies Act, 1956 in conformity with the accounting principles generally accepted in India and give a true and fair view:-
- i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2008;
 - ii) In the case of Profit and Loss Account of the profit for the year ended on 31st March, 2008; and
 - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on 31st March, 2008.

For **SAH LODHA & ASSOCIATES**
Chartered Accountants

(P. K. SAH, FCA)
Partner
Mem. No. 56216

Place : Kolkata
Date: 18th June, 2008



ANNEXURE TO THE AUDITORS' REPORT

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

- (i) a) The Company, we have been informed, has maintained proper records showing full particulars including details and situation of its office premises, being the only fixed asset of the Company as on the Balance Sheet date.
- b) As explained to us, the said premises have been physically verified by the management at appropriate intervals during the year, which in our opinion is reasonable. No material discrepancies have been found on such physical verification.
- c) The company has not disposed off any substantial part of fixed assets that would affect the going concern.
- (ii) Since the Company does not have any inventories the clauses relating to it are not applicable.
- (iii) a) The Company has not granted any loans, secured or unsecured to / from companies, firms or other parties covered in the Register maintain u/s 301 of the Companies Act, 1956.
- b) The Company has taken unsecured loans from a Company covered in the Register maintained u/s 301 of the Act. The maximum amount involved was Rs. 2.00 Lacs. The balance outstanding at the end of the year was Rs. 2.13 Lacs (including interest accrued).
- c) The rate of interest and other terms and conditions of such unsecured loans taken by the Company and prima facie, not prejudicial to the interest of the Company.
- d) The payment of the principal amount and interest are regular.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for purchase of fixed assets and for sale of goods & services. Further, on the basis of our examination of books of accounts and according to the information and explanations given to us we have not come across nor we have been informed of any instances of major weaknesses in the aforesaid internal control systems.
- (v) a) According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, which need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so recorded in the register.
- b) According to the information and explanations given to us, there is no transactions during the year in excess of Rs.5 Lacs in respect of each party.
- (vi) The Company has not accepted any deposit during the year from the public within the meaning of the provisions of Section 58A and 58AA of the Companies Act, 1956 and rules framed there under.
- (vii) The Company did not have formal internal audit system but the internal control is exercise departmentally.
- (viii) The maintenance of cost records prescribed by the Central Government under clause (d) of sub-section (1) of Section 209 of the Act is not applicable to the Company.



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

For **SAH LODHA & ASSOCIATES**
Chartered Accountants

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

Place : Kolkata
Date: 18th June, 2008

Mem. No. 56216



ASHIKA PROPERTIES PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2008

	<u>SCHEDULES</u>	<u>As at 31st March, 2008</u>	<u>As at 31st March, 2007</u>
		Rs.	Rs.
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	2,572,000.00	2,572,000.00
Reserves & Surplus	2	22,316,238.51	22,275,166.51
LOAN FUNDS			
Unsecured Loans	3	213,335.00	-
	TOTAL	25,101,573.51	24,847,166.51
APPLICATION OF FUNDS			
FIXED ASSETS			
Office Premises - At Cost (Refer Note No.B(1) in Schedule 10)	4	24,620,673.75	24,329,118.75
CURRENT ASSETS, LOANS & ADVANCES			
Sundry Debtors	5	120,000.00	-
Cash & Bank Balances	6	275,683.76	409,249.76
Loans & Advances	7	50,000.00	50,000.00
		445,683.76	459,249.76
LESS :- Current Liabilities & Provisions	8	35,482.00	35,466.00
NET CURRENT ASSETS		410,201.76	423,783.76
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted.)			
Preliminary Expenses		70,698.00	94,264.00
	TOTAL	25,101,573.51	24,847,166.51
ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS	10		

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

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

Place : Kolkata Dated : 18th June, 2008	P. K. SAH, FCA Partner For and on behalf of Sah Lodha & Associates Chartered Accountants	For and on behalf of the Board Pawan Jain Director Daulat Jain Director
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ASHIKA PROPERTIES PRIVATE LIMITED



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

<u>SCHEDULES</u>	<u>Year ended 31st March, 2008</u>	<u>Year ended 31st March, 2007</u>
	Rs.	Rs.
<u>INCOME</u>		
Lease Rent	<u>120,000.00</u>	120,000.00
	<u>120,000.00</u>	<u>120,000.00</u>
<u>EXPENDITURE</u>		
Administrative & Other Expenses 9	6,545.00	34,814.29
Interest Paid on Loans	17,243.00	-
Auditors' Remuneration	5,618.00	6,179.20
Preliminary Expenses written off	<u>23,566.00</u>	<u>23,566.00</u>
	<u>52,972.00</u>	<u>64,559.49</u>
<u>PROFIT BEFORE TAXATION</u>	67,028.00	55,440.51
Less : Provision for Taxation		
- Current Tax	<u>25,956.00</u>	<u>28,274.00</u>
<u>PROFIT AFTER TAXATION</u>	41,072.00	27,166.51
Add : Balance Brought Forward from Previous Year	<u>27,166.51</u>	-
BALANCE CARRIED OVER TO BALANCE SHEET	<u><u>68,238.51</u></u>	<u><u>27,166.51</u></u>
Basic and Diluted Earnings per Share (in Rs.)	0.16	0.11
<i>(Refer note no.B(7) in Schedule - 10)</i>		

ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS 10

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

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

Place : Kolkata Dated : 18th June, 2008	P. K. SAH, FCA <i>Partner</i> For and on behalf of Sah Lodha & Associates Chartered Accountants	For and on behalf of the Board Pawan Jain <i>Director</i> Daulat Jain <i>Director</i>
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ASHIKA PROPERTIES PRIVATE LIMITED

SCHEDULES TO AND FORMING PART OF THE ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2008

	As at 31st March 2008 <u>Rs.</u>	As at 31st March 2007 <u>Rs.</u>
SCHEDULE - 1		
<u>SHARE CAPITAL</u>		
Authorised		
5,00,000 Equity Shares of Rs.10/- each	<u>5,000,000.00</u>	<u>5,000,000.00</u>
Issued & Subscribed		
2,57,200 Equity Shares of Rs.10/- each	<u>2,572,000.00</u>	<u>2,572,000.00</u>
Called Up Paid Up		
2,57,200 Equity Shares of Rs.10/- each Fully paid up in cash		
<i>[out of the above Nil (P. Y. 2,00,000 Shares) are held by the erstwhile Holding Company Ashika Capital Limited and 47,000 (P. Y. 47,000 shares) by the erstwhile ultimate Holding Company Ashika Credit Capital Limited]</i>	<u>2,572,000.00</u>	<u>2,572,000.00</u>
SCHEDULE - 2		
<u>RESERVE & SURPLUS</u>		
Share Premium Account		
Balance as per Last Account	<u>22,248,000.00</u>	<u>22,248,000.00</u>
Profit & Loss Account		
Surplus Balance in Profit & Loss Account	<u>68,238.51</u>	<u>27,166.51</u>
	<u>22,316,238.51</u>	<u>22,275,166.51</u>
SCHEDULE - 3		
<u>UNSECURED LOANS</u>		
<i>(including Interest Accrued)</i>		
Ashika Credit Capital Ltd.	<u>213,335.00</u>	<u>-</u>
	<u>213,335.00</u>	<u>-</u>
SCHEDULE - 5		
<u>SUNDRY DEBTORS</u>		
Debts outstanding for a period of more than six months	<u>60,000.00</u>	<u>-</u>
Other Debts	<u>60,000.00</u>	<u>-</u>
	<u>120,000.00</u>	<u>-</u>
SCHEDULE - 5		
<u>CASH AND BANK BALANCES</u>		
Cash in Hand <i>(As certified by Directors)</i>	<u>259,667.00</u>	<u>298,495.00</u>
Balances with Scheduled Banks		
<i>In Current Account -</i>		
CITI Bank	5,906.00	11,524.00
HDFC Bank Ltd	<u>10,110.76</u>	<u>99,230.76</u>
	<u>275,683.76</u>	<u>409,249.76</u>



SCHEDULES TO THE ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2008

**SCHEDULE - 4
FIXED ASSETS**

PARTICULARS	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK		
	As at 1st April, 2007 (Rs.)	Additions/ Adjustments (Rs.)	Withdrawals/ Adjustments (Rs.)	As at 31st Mar 2008 (Rs.)	As at 1st April 2007 (Rs.)	For the Year (Rs.)	Deductins/ Adjustments (Rs.)	As at 31st Mar 2008 (Rs.)	As at 31st Mar 2007 (Rs.)
Building Office Premises	24,329,118.75	291,555.00	-	24,620,673.75	-	-	-	24,620,673.75	24,329,118.75
Total	24,329,118.75	291,555.00	-	24,620,673.75	-	-	-	24,620,673.75	24,329,118.75
TOTAL OF PREVIOUS YEAR	24,130,725.00	198,393.70	-	24,329,118.75	-	-	-	24,329,118.75	24,130,725.00

Note : Depreciation has not been charged on the office premises, since not being used for business.

**ASHIKA PROPERTIES PRIVATE LIMITED****SCHEDULES TO AND FORMING PART OF THE ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2008**

	<u>As at 31st March 2008</u> Rs.	<u>As at 31st March 2007</u> Rs.
SCHEDULE - 7		
<u>LOANS & ADVANCES</u>		
<i>Advances recoverable in cash or kind or for which value to be received</i>		
Deposit with Raheja Centre Premises Co-Operative Society Ltd.	<u>50,000.00</u>	<u>50,000.00</u>
	<u><u>50,000.00</u></u>	<u><u>50,000.00</u></u>
SCHEDULE - 8		
<u>CURRENT LIABILITIES & PROVISIONS</u>		
Current Liabilities :		
Auditors' Remuneration Payable	5,618.00	5,618.00
TDS Payable	3,908.00	1,574.00
Provisions :		
For Income Tax (Asst Year 2008 - 09)	25,956.00	-
For Income Tax (Asst Year 2007 - 08)	-	28,274.00
	<u>35,482.00</u>	<u>35,466.00</u>
SCHEDULE - 9		
<u>ADMINISTRATIVE & OTHER EXPENSES</u>		
Bank Charges	-	29.89
Fees & Subscriptions	1,528.00	2,948.00
General Expenses	1,263.00	975.00
Professional Fees	2,000.00	29,432.40
Postage & Telegram	537.00	425.00
Printing & Stationery	250.00	628.00
Interest Paid (Misc.)	967.00	376.00
	<u>6,545.00</u>	<u>34,814.29</u>



**SCHEDULES TO THE ACCOUNTS AS AT AND FOR THE YEAR ENDED
31ST MARCH, 2008**

SCHEDULES – 10

ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

A) ACCOUNTING POLICIES :

1. Basis of Accounting :

The Financial Statements are prepared under the historical cost convention on accrual basis of accounting and comply with the provisions of the Companies Act, 1956.

2. Use of Estimates:

The preparation of the financial statements in conformity with generally accepted accounting principles requires, the use of estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amounts of revenue and expenses during the year and disclosure of contingent liabilities as at that date. The estimates and assumptions used in these financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of the financial statements.

3. Income Recognition

Income from leased rent is recognized on accrual basis.

4. Fixed Assets & Depreciation

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

5. Impairment of Fixed Assets

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

6. Miscellaneous Expenditure

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

7. Taxes on Income

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

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

8. Provisions, Contingent Liabilities & Contingent Assets

A provision is recognized when the company has present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and reliable estimate can be made for the amount of the obligation. Contingent liabilities are not recognized but disclose by way of notes to the accounts. Contingent assets are neither recognized nor disclosed in the financial statements.



ASHIKA PROPERTIES PRIVATE LIMITED

SCHEDULES TO THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2008

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

B) NOTES TO THE ACCOUNTS :

1. The Company has not made provision for depreciation on its fixed asset, in view that the asset is not being used for its own business and instead leased out for the time being. The amount of depreciation for the year comes out to Rs.4,00,001.95 (as at 31st March, 2008 Rs. 7,96,566.59) on straight line method at rates prescribed under Schedule –XIV of the Companies Act, 1956.
2. Sundry Debtors includes Rs. 1,20,000/- due from M/s. Ashika Capital Ltd. , the erstwhile Holding Company and now a Company under the same management.
3. There are no deferred tax liabilities or assets as on the balance sheet date.
4. Auditor's Remuneration includes (Including Service Tax)

Particulars	2007-08 (Rs.)	2006-07 (Rs.)
For Statutory Audit	5618.00	5618.00
For Certification	Nil	561.20
Total	5618.00	6179.20

5. There are no contingent liabilities as on the balance sheet date.
6. The Business of the Company falls within a single primary business segment viz. 'Leasing of Property', the disclosure requirement of Accounting Standard (AS-17) 'Segment Reporting' issued by the Institute of Chartered Accountants of India is not applicable to the Company.
7. Basic and Diluted Earning Per Share
For the purpose of calculation of Basic and Diluted Earnings Per Share the following amounts are considered:

Particulars	Amount (Rs.)	
	2007 - 2008	2006 - 2007
Profit considered for calculating EPS (Net Profit after Tax)	41,072.00	27,166.51
Weighted average number of Equity Shares (Nos.)	257200	257200
Nominal value of Equity Shares	10.00	10.00
Basic and Diluted Earnings per Share (Rs.)	0.16	0.11



SCHEDULES TO THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2008

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

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

Related Parties	Nature of Relationship
Ashika Credit Capital Limited	Ultimate Holding Company (upto 4th December, 2007)
Ashika Capital Limited	Holding Company (upto 4th December, 2007)
Mr. Pawan Jain Mr. Daulat Jain	Directors

Transactions with related parties during the year

Amount (Rs.)

Particulars	Holding Company	Key Management Personnel	Total 2007-2008	Total 2006-2007
<u>Loans Taken</u>				
Maximum Amount involved	Rs. 2,00,000/-	-	Rs. 2,00,000/-	-
Outstanding as at 31st March, 2008	Rs. 2,13,335/-	-	Rs. 2,13,335/-	-
Sundry Debtors / Receivable	Rs. 1,20,000/-	-	Rs. 1,20,000/-	-
<u>Income</u>				
Lease Rent	Rs. 1,20,000/-	-	Rs. 1,20,000/-	1,20,000/-
<u>Expenditure</u>				
Interest on Loan Paid	Rs. 17,243/-	-	Rs. 17,243/-	-

9. Transactions in Foreign Currencies - NIL
10. There are no due to Small Scale Industries in terms of "The Micro, Small and Medium Enterprises Development Act, 2006"
11. Previous year's figures has been rearranged and / or re - grouped, wherever considered necessary.
12. General Business Profile and Balance Sheet Abstract are annexed hereto.

SIGNATURE TO SCHEDULES 1 TO 10

	P. K. SAH, FCA <i>Partner</i>	For and on behalf of the Board
	For and on behalf of Sah Lodha & Associates Chartered Accountants	Pawan Jain Director Daulat Jain Director
Place : Kolkata Dated : 18th June, 2008		



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

	Year ended 31st March, 2008 Rs.	Year ended 31st March, 2007 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax	67,028.00	55,440.51
<i>Adjustments for :</i>		
Preliminary Expenses Written off	23,566.00	23,566.00
Interest Paid	17,243.00	-
Operating Profit Before Working Capital Changes	107,837.00	79,006.51
<i>Adjustments for :</i>		
(Increase) / Decrease in Loans & Advances	-	-
(Increase) / Decrease in Trade Receivables	(120,000.00)	-
Increase / (Decrease) in Trade Payables	2,334.00	(3,520.00)
Cash Generated from Operations	(9,829.00)	75,486.51
<i>Adjustments for :</i>		
Direct Tax Refunds / (Paid)	(28,274.00)	-
Net Cash From Operating Activities	(38,103.00)	75,486.51
B. CASH FLOW FROM INVESTING ACTIVITIES :		
<i>Add / (Less):</i>		
Addition of Fixed Assets	(291,555.00)	-
Net Cash from Investing Activities	(291,555.00)	-
C. CASH FLOW FROM FINANCING ACTIVITIES :		
<i>Add / (Less):</i>		
Loans Taken	213,335.00	-
Interest Paid	(17,243.00)	-
Net Cash Used In Financing Activities	196,092.00	-
Net Increase In Cash And Cash Equivalents (A+B+C)	(133,566.00)	75,486.51
Cash And Cash Equivalents As At The Beginning Of The Year	409,249.76	333,763.25
Cash And Cash Equivalents As At The Close Of The Year	275,683.76	409,249.76

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

Place : Kolkata Dated : 18th June, 2008	P. K. SAH, FCA <i>Partner</i> For and on behalf of Sah Lodha & Associates Chartered Accountants	For and on behalf of the Board Pawan Jain <i>Director</i> Daulat Jain <i>Director</i>
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AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF ASHIKA CREDIT CAPITAL LIMITED GROUP

To
The Board of Directors,
ASHIKA CREDIT CAPITAL LIMITED

1. We have audited the attached Consolidated Balance Sheet of **Ashika Credit Capital Limited** (the "Company") and its Subsidiaries as at 31st March 2008, the consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, on Consolidated Financial Statements issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the Company and its subsidiaries included in the consolidated financial statements.
4. On the basis of information and explanations given to us, and on the consideration of the separate audit reports on individual audited financial statements of the Company and its subsidiaries, we are of the opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of Consolidated Balance Sheet, of the state of affairs of the Company and its subsidiaries as on 31st March, 2008;
 - (b) in the case of Consolidated Profit and Loss Account, of the profit of the Company and its subsidiaries for the year ended on that date; and
 - (c) in the case of the Consolidated Cash Flow Statement, of the Cash Flows of the Company and its subsidiaries for the year ended on that date.

For SAH LODHA & ASSOCIATES
Chartered Accountants

58D, Netaji Subhas Road,
Kolkata - 700 001
Date: 18th June, 2008

(P. K. SAH, FCA)
Partner
Mem. No. 56216

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008**

	SCHEDULES	As at 31st March, 2008	As at 31st March, 2007
		Rs.	Rs.
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	49,964,955.00	49,964,955.00
Reserves and Surplus	2	51,441,713.30	45,135,035.94
		101,406,668.30	95,099,990.94
Minority Interest	3	12,944.62	1,005,973.75
LOAN FUNDS			
Unsecured Loans	4	5,192,080.00	128,971,272.00
TOTAL		106,611,692.92	225,077,236.69
APPLICATIONS OF FUNDS			
GOODWILL ON CONSOLIDATION (NET)		421,040.00	1,286,394.00
FIXED ASSETS			
Gross Block	5	9,920,322.50	33,167,657.25
Less: Depreciation		2,077,976.95	1,452,046.95
Net Block		7,842,345.55	31,715,610.30
INVESTMENTS	6	10,168,000.00	10,996,534.00
CURRENT ASSETS, LOANS & ADVANCES			
Stock-in-Trade	7	2,616,507.25	-
Sundry Debtors	8	7,008,420.13	325,750.00
Cash & Bank Balances	9	32,091,874.08	20,799,590.68
Loans & Advances	10	117,986,520.35	163,388,415.04
		159,703,321.81	184,513,755.72
LESS :- CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	11	67,709,428.41	2,562,691.40
Provisions	12	4,433,667.00	959,048.00
		72,143,095.41	3,521,739.40
NET CURRENT ASSETS		87,560,226.40	180,992,016.32
DEFERRED TAX ASSETS /(LIABILITIES)		566,485.37	(114,772.53)
MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted.)			
Preliminary & Pre-Operative Expenses		53,595.60	201,454.60
TOTAL		106,611,692.92	225,077,236.69
ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS 19			

SCHEDULES '1' TO '12' AND '19' REFERRED TO ABOVE FORM AN INTEGRAL PART OF THE BALANCE SHEET

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

Place : Kolkata Dated : 18th June, 2008	P. K. SAH, FCA <i>Partner</i> For and on behalf of Sah Lodha & Associates Chartered Accountants	For and on behalf of the Board Pawan Jain Director Daulat Jain Director Babulal Bafna Chief Executive Officer Anju Lohiya Company Secretary
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CONSOLIDATED PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 2008

	SCHEDULES	Yearended	Yearended
		31st March, 2008	31st March, 2007
		Rs.	Rs.
INCOME			
Sale of Shares		230,457,880.32	23,482,886.83
Profit from Derivatives / Intra day Trading in Shares		20,604,000.80	73,234.86
Merchant Banking Operations		23,874,032.00	10,590,276.00
Insurance Brokerage		798,738.80	35,571.70
Other Brokerage Income		1,582,032.00	18,415.00
Interest Income	13	13,519,617.24	7,227,583.43
Profit on Sale of Investment in Shares/ Units of Mutual Funds		490,754.35	-
Profit on Disposal of Investment in Associate Company		-	1,253,000.00
Other Income	14	72,739.46	4,000.00
		291,399,794.97	42,684,967.82
EXPENDITURE			
Purchase of Shares		255,483,105.25	21,245,858.60
(Increase)/Decrease in Stock of Shares	15	(2,616,507.25)	1,954,660.70
Other Direct Expenses	16	1,060,647.23	28,432.05
Administrative & Other Expenses	17	24,432,247.30	14,560,425.91
Auditors' Remuneration		136,394.60	152,699.20
Loss / (Profit) on Sale of Investment in Shares		-	1,610.00
Loss / (Profit) on sale of Fixed Asstes		-	170,489.98
Preliminary / Pre-Operative Expenses written off		53,595.00	90,186.80
		278,549,482.13	38,204,363.24
PROFIT BEFORE INTEREST, DEPRECIATION & TAXATION			
		12,850,312.84	4,480,604.58
LESS : Interest	18	2,671,513.00	2,007,853.00
PROFIT BEFORE DEPRECIATION AND TAXATION			
		10,178,799.84	2,472,751.58
LESS : Depreciation		625,930.00	608,234.50
PROFIT BEFORE TAXATION			
		9,552,869.84	1,864,517.08
LESS : Provision for Taxation:			
Current Tax		3,764,233.00	712,950.00
Deferred Tax Liabilities/ (Assets)		(636,615.90)	(451,713.00)
Fringe Benefit Tax		273,164.00	242,528.00
		3,400,781.10	242,528.00



CONSOLIDATED PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 2008

SCHEDULES	Yearended	Yearended
	31st March, 2008	31st March, 2007
	Rs.	Rs.
PROFIT AFTER TAXATION	6,152,088.74	1,360,752.08
Add / (Less) : Securities Transaction Tax relating to earlier year w/off	-	(900,358.86)
Add / (Less) : Earlier Years' I.Tax / Excess provision written back	273,911.00	-
Add / (Less) : Transitional effect of Provision for Gratuity (Net)	(99,831.00)	-
Add / (Less) : Amount relating to erstwhile Subsidiary	(26,092.82)	-
Add / (Less) : Amount relating to erstwhile Associate Company	-	(1,409,361.31)
Add / (Less) : Minority Interest in (Profit) / Loss	6,601.44	(528.51)
Add / (Less) : Balance brought forward from previous year	12,053,115.54	13,258,860.14
Profit Available for Appropriation	18,359,792.90	12,309,363.54
APPROPRIATIONS		
Transfer to Statutory Reserves	767,310.00	256,248.00
Balance Carried to Balance Sheet	17,592,482.90	12,053,115.54
	18,359,792.90	12,309,363.54
Basic and Diluted Earnings Per Share (in Rs.)	1.23	0.27

[Refer note no. B(7) in Schedule 19]

ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS

19

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

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

Place : Kolkata Dated : 18th June, 2008	P. K. SAH, FCA <i>Partner</i> For and on behalf of Sah Lodha & Associates Chartered Accountants	For and on behalf of the Board Pawan Jain <i>Director</i> Daulat Jain <i>Director</i> Babulal Bafna <i>Chief Executive Officer</i> Anju Lohiya <i>Company Secretary</i>
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**ASHIKA CREDIT CAPITAL LIMITED****SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2008**

	As at 31st March 2008 <u>Rs.</u>	As at 31st March 2007 <u>Rs.</u>
SCHEDULE - 1		
SHARE CAPITAL		
Authorised		
52,50,000 Equity Shares of Rs.10/- each	<u>52,500,000.00</u>	<u>52,500,000.00</u>
Issued & Subscribed		
50,01,000 Equity Shares of Rs.10/- each	<u>50,010,000.00</u>	<u>50,010,000.00</u>
Paid Up		
Fully Called and paid up in cash		
49,94,826 Equity Shares of Rs.10/- each	<u>49,948,260.00</u>	<u>49,948,260.00</u>
Add : Forfeited shares	<u>16,695.00</u>	<u>16,695.00</u>
	<u>49,964,955.00</u>	<u>49,964,955.00</u>
 SCHEDULE - 2		
RESERVES & SURPLUS		
Share Premium Account		
Balance as per Last Account	(A) <u>29,187,000.00</u>	<u>29,187,000.00</u>
Statutory Reserves		
Balance as per Last Account	<u>3,894,920.40</u>	<u>3,638,672.40</u>
Add : Transferred During the year	<u>767,310.00</u>	<u>256,248.00</u>
	(B) <u>4,662,230.40</u>	<u>3,894,920.40</u>
Profit & Loss Account		
Surplus Balance	(C) <u>17,592,482.90</u>	<u>12,053,115.54</u>
	(A)+(B)+(C) <u>51,441,713.30</u>	<u>45,135,035.94</u>
 SCHEDULE - 3		
MINORITY INTEREST		
Share Capital	<u>21,662.00</u>	<u>123,770.40</u>
Share Premium	<u>378.00</u>	<u>883,623.60</u>
Share in Profit & Loss Account	<u>(9,095.38)</u>	<u>(1,420.25)</u>
	<u>12,944.62</u>	<u>1,005,973.75</u>
 SCHEDULE - 4		
UNSECURED LOANS		
<i>(including Interest Accrued and due)</i>		
From Bodies Corporates	<u>5,192,080.00</u>	<u>128,971,272.00</u>



SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2008

**SCHEDULE - 5
FIXED ASSETS**

PARTICULARS	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK		
	As at 1st April, 2007 (Rs.)	Additions/ Adjustments (Rs.)	Withdrawals/ Adjustments (Rs.)	As at 31st Mar 2008 (Rs.)	As at 1st April 2007 (Rs.)	For the Period (Rs.)	Deducti-ns/Adjus- tments (Rs.)	As at 31st Mar 2008 (Rs.)	As at 31st Mar 2007 (Rs.)
TANGIBLE ASSETS									
BUILDING	24,329,118.75	-	24,329,118.75#	626,110.00	43,371.79	10,204.00	-	572,534.21	24,329,118.75
OFFICE PREMISES #	626,110.00	-	-	-	-	-	-	-	582,738.21
OFFICE PREMISES	-	-	-	-	-	-	-	-	-
PLANT & MACHINERY									
FAX MACHINE	16,860.00	-	-	16,860.00	1,014.00	800.00	-	15,046.00	15,846.00
TYPE MACHINE	504,940.00	45,000.00	-	549,940.00	26,394.50	24,004.00	-	499,541.50	478,545.50
AIR CONDITIONER	-	-	-	-	-	-	-	-	-
CELLULAR PHONE	-	-	-	-	-	-	-	-	-
PAGER	-	-	-	-	-	-	-	-	-
TELEPHONE	7,671.00	-	-	7,671.00	1,456.74	364.00	-	5,850.26	6,214.26
XEROX MACHINE	74,880.00	-	-	74,880.00	11,362.00	6,787.00	-	56,731.00	63,518.00
CCTV SYSTEM	324,050.00	-	-	324,050.00	12,162.00	12,162.00	-	299,726.00	311,888.00
TELEVISION SET	31,000.00	-	-	31,000.00	1,355.00	1,472.00	-	28,173.00	29,645.00
AUDIO SYSTEM	-	-	-	-	-	-	-	-	-
TIME ATTENDING MACHINE	-	-	-	-	-	-	-	-	-
MOTOR CAR	365,000.00	-	-	365,000.00	156,940.00	34,675.00	-	173,385.00	208,060.00
COMPUTER & PRINTER	1,857,472.00	144,482.00	-	2,001,954.00	869,749.62	207,581.00	-	924,623.38	987,722.38
FURNITURE & FIXTURES									
FILING CABINET	-	-	-	-	-	-	-	-	-
FURNITURE	4,623,023.50	977,994.00	85,692.00	5,515,325.50	301,773.30	303,409.00	5,424.00	4,915,567.20	4,321,250.20
EPABX MACHINE	377,532.00	-	-	377,532.00	24,200.00	23,896.00	-	329,436.00	353,332.00
WATER COOLER	-	-	-	-	-	-	-	-	-
INTANGIBLE ASSETS									
Softwares	30,000.00	-	-	30,000.00	2,268.00	6,000.00	-	21,732.00	27,732.00
Total	33,167,657.25	1,167,476.00	24,414,810.75	9,920,322.50	1,452,046.95	631,354.00	5,424.00	7,842,345.55	31,715,610.30
TOTAL OF PREVIOUS YEAR	39,652,787.11	6,016,812.75	12,501,942.61	33,167,657.25	2,531,630.54	608,234.50	1,687,818.09	31,715,610.30	

Assets of Ashika Properties Pvt Ltd ceases to be a subsidiary wef 5th December'2007
Note: Depreciation has been provided on Straight Line Method at the rates specified in Schedule -XIV to the Companies Act, 1956 on pro-rata basis.

**ASHIKA CREDIT CAPITAL LIMITED****SCHEDULES TO THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2008**

	As at 31st March 2008 <u>Rs.</u>	As at 31st March 2007 <u>Rs.</u>
SCHEDULE - 6		
INVESTMENTS - Long Term		
Non - Trade		
Equity Shares - fully paid up of Rs.10/- each		
Quoted	-	1,528,534.00
Unquoted #	9,700,000.00	9,000,000.00
Government Securities	468,000.00	468,000.00
	<u>10,168,000.00</u>	<u>10,996,534.00</u>

includes 47000 shares in Ashika Properties Pvt. Ltd. , an erstwhile subsidiary.

SCHEDULE - 7
STOCK IN TRADE

(Valued at lower of cost or market value)

(As Certified by the Management)

In Shares of Joint Stock Companies - Quoted

2,616,507.25

-

2,616,507.25

-

SCHEDULE - 8
SUNDRY DEBTORS

(Unsecured, considered good)

Debts outstanding exceeding six months

427,537.25

194,650.00

Other Debts

6,580,882.88

131,100.00

7,008,420.13

325,750.00

SCHEDULE - 9
CASH AND BANK BALANCES

Cash in Hand

1,585,590.98

1,615,104.88

(As certified by Management)

Cheque in Hand

15,438,061.40

1,433,149.40

Balances with Scheduled Banks

1,050,000.00

5,272,000.00

In Fixed Deposit Accounts

14,018,221.70

12,479,336.40

In Current Accounts

32,091,874.08

20,799,590.68

ASHIKA CREDIT CAPITAL LIMITED



SCHEDULES TO THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2008

	As at 31st March 2008	As at 31st March 2007
	<u>Rs.</u>	<u>Rs.</u>
SCHEDULE - 10		
<u>LOANS AND ADVANCES</u>		
Loans & Other Credit Facilities		
Secured, considered good	11,131,400.00	17,384,017.00
Unsecured, considered good	38,247,492.00	114,488,638.68
	<u>49,378,892.00</u>	131,872,655.68
Less : Cash Security (Interest free)	-	1,260,000.00
	<u>49,378,892.00</u>	130,612,655.68
Advances recoverable in cash or in kind or for value to be received		
Interest accrued but not due :		
<i>On Bank Fixed Deposits</i>	134,378.87	63,207.24
<i>On Govt. Securities</i>	12,300.00	12,300.00
Share Application Money (Pending Allotment)	18,000,000.00	2,500,000.00
Security Deposits	2,044,663.00	697,163.00
Margin Money Deposits	35,910,963.00	23,000,000.00
Advances Against Purchase of Fixed Assets	600,000.00	-
Advances on Clients' Account	1,020,000.00	-
Advances Against Expenses	92,531.00	125,000.00
Prepaid Expenses	160,799.83	218,552.50
Staff Advances	63,145.00	-
Other Advances	4,347,936.51	3,883,737.00
Tax Payments :		
Prepaid Income Tax	6,007,738.12	2,275,799.62
Modvat Credit Receivable on Service Tax	213,173.02	-
	<u>117,986,520.35</u>	<u>163,388,415.04</u>
SCHEDULE -11		
<u>CURRENT LIABILITIES</u>		
Sundry Creditors :		
- For Fixed Assets	45,000.00	111,037.00
- For Purchases	3,375,000.00	-
- For Expenses & Others	8,643,621.49	1,142,219.20
Advance Against Sale of Shares	52,983,000.00	-
Unclaimed Dividend	184,513.40	52,900.80
Advances from Clients	1,380,602.20	51,000.00
Other Liabilities	1,097,691.32	1,205,534.40
	<u>67,709,428.41</u>	<u>2,562,691.40</u>

**ASHIKA CREDIT CAPITAL LIMITED****SCHEDULES TO THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2008**

	As at 31st March 2008 <u>Rs.</u>	As at 31st March 2007 <u>Rs.</u>
SCHEDULE -12		
<u>PROVISIONS</u>		
For Income Tax	3,767,803.00	716,520.00
For Fringe Benefit Tax	273,164.00	242,528.00
For Grauity	392,700.00	-
	<u>4,433,667.00</u>	<u>959,048.00</u>
SCHEDULE -13		
<u>INTEREST INCOME</u>		
Interest on Loans & Other Credit Facilities	12,583,960.75	6,825,484.00
Interest on Government Securities	49,200.00	49,200.00
Interest from Bank	796,795.49	352,899.43
Other Interest	89,661.00	-
	<u>13,519,617.24</u>	<u>7,227,583.43</u>
SCHEDULE -14		
<u>OTHER INCOME</u>		
Dividend - on Stock-in-Trade	34,621.55	4,000.00
Dividend - on Investments	38,117.91	-
	<u>72,739.46</u>	<u>4,000.00</u>
SCHEDULE -15		
<u>(INCREASE)/DECREASE IN STOCK OF SHARES</u>		
Opening Stock	-	1,954,660.70
Less: Closing Stock	2,616,507.25	-
	<u>(2,616,507.25)</u>	<u>1,954,660.70</u>
SCHEDULE - 16		
<u>OTHER DIRECT EXPENSES</u>		
Service Tax	153,735.32	2,596.27
Stamp Charges	93,410.16	11,940.24
Transaction Charges	69,415.39	3,160.68
Demat Charges	4,438.22	2,403.54
Auction Charges	4,503.29	-
Securities Transactions Tax	735,144.85	8,331.32
	<u>1,060,647.23</u>	<u>28,432.05</u>

ASHIKA CREDIT CAPITAL LIMITED**SCHEDULES TO THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2008**

	As at 31st March 2008	As at 31st March 2007
	Rs.	Rs.
SCHEDULE - 17		
<u>ADMINISTRATIVE AND OTHER EXPENSES</u>		
Salary ,Bonus and other allowances	8,082,726.00	5,446,032.00
Staff Welfare Expenses	164,354.50	284,435.00
Employers Contribution to Provident Fund	81,384.00	98,886.00
Gratuity	248,227.00	-
Travelling and Conveyance	1,707,873.89	1,305,836.92
Printing and Stationary	545,184.50	193,270.15
Postage and Courier	195,204.55	105,978.00
Telephone Expenses	724,196.99	727,983.29
Rent & Electricity	1,225,565.00	594,175.08
Motor Car Expenses	52,569.42	127,581.00
Computer Maintenance	300,181.00	139,049.00
Miscellaneous Expenditure	875,355.43	1,210,310.50
Business Promotion Expenses	1,747,131.00	705,686.45
Repair & Maintenance	876,126.00	717,497.91
Books and Periodicals	12,370.00	460.00
Donations	-	1,000,000.00
Professional Fees	7,120,364.00	191,449.20
Insurance	12,402.67	10,729.00
Fees & Subscription	257,495.00	312,763.00
Advertisement	42,064.00	68,923.50
Bank Charges & Commission	6,190.71	9,116.65
Sundry Balances written off	11,281.64	2,263.26
Payment to Director		
M.D.'s Remuneration (Minimum Remuneration)	-	1,200,000.00
Directors Meeting Fees	144,000.00	108,000.00
	<u>24,432,247.30</u>	<u>14,560,425.91</u>
SCHEDULE - 18		
<u>INTEREST PAID</u>		
Interest on Unsecured Loans	2,494,636.00	1,933,087.00
Other Interest	176,877.00	74,766.00
	<u>2,671,513.00</u>	<u>2,007,853.00</u>



SCHEDULES TO THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2008

SCHEDULES – 19 :

ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

A) Significant Accounting Policies :

1. Principles of Consolidation

- a) The Consolidate Financial Statements of Ashika Credit Capital Limited Group (hereinafter referred to as “the Group”) have been prepared in accordance with AS-21 on “Consolidated Financial Statements” issued by The Institute of Chartered Accountants of India.
- b) The financial statements of subsidiaries used in the consolidation are drawn upto the same reporting dates as that of the Company, viz., 31st March, 2008.
- c) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Holding Company’s separate financial statements.
- d) The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses, after fully eliminating intra-group balances and transactions resulting in unrealised profit / loss.
- e) The difference between the costs of investment in the subsidiary companies over the net assets is recognised in the financial statements as Goodwill or Capital Reserve as the case may be, and is separately disclosed in the financial statements.
- f) In the case of Investment in a subsidiary where the holding is less than 100%, minority interest in the net assets of consolidated subsidiary consists of :
 - i) The amount of equity attributable to minorities at the date on which investments in the subsidiary is made.
 - ii) The minorities’ share of movement in equities since the date of the Holding subsidiary relationship came into existence.
 - iii) Minorities’ interest’s share of net profit for the year of consolidated subsidiary is identified and adjusted against profit after tax of the group.
- g) Companies included in Consolidation:

Name of Company	Relationship	Country of Incorporation	Period/Year ended included in Consolidation	Proportion of Ownership Interest
Ashika Capital Limited	Subsidiary	India	31st March, 2008	100%
Ashika Insurance Broking & Risk Management Private Limited (99.58 holding by Ashika Capital Limited)	Fellow Subsidiary	India	31 st March, 2008	99.58%

Notes : Investment in Company’s fellow subsidiary Ashika Properties Private Limited has been reduced during the year from 96.03% to 18.27% and thus as on the Balance Sheet dated it is neither a subsidiary nor an associate.



SCHEDULES TO THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2008

SCHEDULES – 19 (Contd.)

B) Significant Accounting Policies :

1. Basis of Accounting

The Financial statements are prepared under the historical cost convention on accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles as acceptable in India and are on the basis of a going concern.

2. Use of Estimates

The Preparation of the financial statements in conformity with the accounting standards generally accepted in India requires, the management to make estimates that affect the reported amount of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statement and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates.

3. Revenue Recognition

Transaction in respect of dealing in securities are recognized on trade dates.

Revenue from merchant banking services is recognized as revenue as invoiced to clients on performance / part performance of assignment based on the agreement of the assignment. Interest Income from financing activities and others is recognized on and accrual basis.

Dividend Income is recognized on receipt basis.

Prudential norms prescribed by Reserve Bank of India for revenue recognition, asset classification and provisioning are followed.

4. Fixed Assets

a) Tangible Assets

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

b) Intangible Assets

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

5. Depreciation / Amortization :

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

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



**SCHEDULES TO THE CONSOLIDATED ACCOUNTS AS AT AND FOR
THE YEAR ENDED ON 31ST MARCH, 2008**

SCHEDULES – 19 (Contd.)

6. Impairment of Fixed Assets

An asset is treated as impaired when carrying cost of asset exceeds its recoverable amount. An impairment loss is charged to the profit & loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period, if any is reversed if there has been a change in the estimate of the recoverable amount.

7. Shares, Commodities Futures / Equity Index

Initial margin and margin paid over and above initial margin, for entering into a contract for stock futures / equity index which are released on final settlement / squaring up of the underlying contract, are disclosed under Loans & Advances.

Stock futures / equity index are marked-to-market on a daily basis. Debit or Credit Balance, representing the net amount paid or received on the basis of movement in the price of stock futures / equity index till the balance sheet date, are disclosed under Receivables or Current Liabilities, respectively.

Profit / Loss on open position in stock futures / equity index as on the balance sheet date is accounted for as follows:

Credit balance in the Mark-to-Market margin, being the anticipated profit is ignored and no credit for the same is taken in the Profit and Loss Account.

Debit balance in the Mark-to-Market, being the anticipated loss is adjusted in the Profit and Loss Account.

8. Investments

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

9. Stock-in-Trade

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

10. Earning Per Share

Basic Earning 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.

11. Taxation

Tax expenses comprises of current, deferred and fringe benefit 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.

Fringe Benefit Tax is determined in accordance with the provisions of the Income Tax Act 1961.

Deferred Tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversible in one or more subsequent periods. Deferred Assets are recognized and carried forward only to the extent there is reasonable certainty that sufficient future taxable income will be able against which such asset item will be realized.



**SCHEDULES TO THE CONSOLIDATED ACCOUNTS AS AT AND FOR
THE YEAR ENDED ON 31ST MARCH, 2008**

SCHEDULES – 19 (Contd.)

12. Retirement Benefits:

a) Defined Contribution Plans

Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective fund.

b) Defined Benefit Plans

Gratuity liability are provided for based on actuarial valuation made at the end of each financial year using the projected unit credit method Actuarial gain and losses are recognized immediately in the statement of Profit & Loss Account as income or expenses. At present the Gratuity is not funded.

c) Leave encashment is accounted for at the time of payment and no such carryover of unencashed leave is allowed. No other retirement benefits are payable by the Company

13. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the company has present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and reliable estimate can be made for the amount of the obligation. Contingent liabilities are not recognized but disclose by way of notes to the accounts. Contingent assets are neither recognized nor disclosed in the financial statements

C) Notes on Accounts:

1. The Company's investment in its fellow subsidiary Ashika Properties Private Limited through its subsidiary Ashika Capital Limited comprising of 20000 equity shares of Rs.10/- each has been divested during the year. However, the Company still holds 47000 equity shares of Rs.10/- each. On such divestment the Company's total holding in Ashika Properties Private Limited have been reduced from 96.03% to 18.27%. As such, as on the Balance Sheet date Ashika Properties Private Limited is no more a subsidiary nor associate.
2. Contingent Liability :
Guarantee given (jointly with three other guarantors) to a bank in favour of M/s. Ashika Stock Broking Ltd., a Company under the same management. The outstanding liabilities to the bank as at the Balance Sheet are Rs. 2350 lacs.
3. Secured loans given (Schedule-10) to customers amounting to Rs. 1,11,31,400/- is secured against margin of tradable shares having market value as on 31st March, 2008 of Rs. 3,43,91,500/-. The same shares are further being transferred to the account of Company's Broker as margin.
4. There are no Micro and Small Enterprises to whom the company owes which are outstanding for more than 45 days as at 31st March, 2008. This Information has been provided to the extent such parties have been identified by the company based on information available with it and has been relied upon by the auditors.

**SCHEDULES TO THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2008****SCHEDULES – 19 (Contd.)**

5. Transactions in Foreign Currency – Rs. 1,50,343.20 received as Advance from Customers (Previous Year – Nil).
6. The major components of deferred tax assets/(liabilities) are:

	Deferred Tax Assets / (Liabilities) as at 01/04/2007	Current Year (Charge) / Credit	Deferred Tax Assets / (Liabilities) as at 31/03/2008
Difference between book and tax depreciation of Fixed Assets	(409,957.31)	(78,847.32)	(488,804.63)
Carried Forward Business Loss	289,538.25	615,952.75	905,491.00
Carried Forward Unabsorbed Depreciation	5,646.53	22,808.47	28,455.00
Provision for Gratuity	44,642.00	76,702.00	121,344.00
	(70,130.53)	636,615.90	566,485.37

7. Basic and Diluted Earning Per Share

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

Particulars	For the Year ended 31st March, 2008	For the Year ended 31st March, 2007
a) Net Profit after Tax	6152088.74	1360652.08
b) Opening Nos. of Shares	4994826	4994826
c) Total Shares Outstanding	4994826	4994826
c) Basic and Diluted Earnings Per Share (Rs.)(a/c)	1.23	0.27

8. Related Parties Disclosures :

Related Parties Disclosures, as stipulated by Accounting Standard-18-Related Parties Disclosures, issued by ICAI, are given below :

Related Parties	Nature of Relationship
Mr. Daulat Jain	Key management Personnel
Mr. Babulal Bafna	Key management Personnel
Mr. Pawan Jain	Director & relative of Key Management Personnel

Ashika Stock Broking Ltd. Enterprises in which the Key Management Personnel have control and significant influence
Ashika Global Securities Ltd.
Ashika Global Finance Pvt. Ltd.
Ashika Venture Capital Pvt. Ltd.
Ashika Forex Services Pvt. Ltd.
Ashika Commodities & Derivatives Pvt. Ltd.
Ashika Properties Pvt. Ltd.

(a fellow subsidiary upto 4th December, 2007)



SCHEDULES TO THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2008

SCHEDULES – 19 (Contd.)

Transactions during the year with Related parties :

	Key Management Personnel	Enterprises in which management Personnel have control and significant influence	Total
Loans Taken			
Opening (incl. interest)	-	12,29,71,272/-	12,29,71,272/-
Received during the year	-	1,22,00,000/-	1,22,00,000/-
Repaid during the year	-	12,87,71,272/-	12,87,71,272/-
Closing Balance (incl. interest)	-	51,74,774/-	51,74,774/-
Loans Granted			
Opening (incl. interest)	-	29,20,000/-	43,39,597/-
Given during the year	-	14,21,80,000/-	14,22,04,000/-
Returned during the year	-	12,53,50,00/-	12,67,93,597/-
Closing Balance (incl. interest)	-	2,16,28,935/-	2,18,42,270/-
Advances Received			
Opening Balance	-	-	-
Received during the year	52,00,000/-	10,99,66,000/-	11,51,66,000/-
Repaid during the year	52,00,000/-	5,69,83,000/-	6,21,83,000/-
Closing Balance	-	5,29,83,000/-	5,29,83,000/-
Margin Money Given			
Opening Balance	-	2,30,00,000/-	2,30,00,000/-
Given during the year	-	49,64,00,000/-	49,64,00,000/-
Repaid during the year	-	48,44,00,000/-	48,44,00,000/-
Closing Balance	-	3,50,00,000/-	3,50,00,000/-
Sundry Debtors	-	12,11,974/-	12,11,974/-
Advances / Receivables	1,87,975/-	-	1,87,975/-
Payables	-	10,70,298/-	10,70,298/-
Share Application Money			
Received	-	1,98,34,750/-	1,98,34,750/-
Refunded	-	18,34,750/-	18,34,750/-
Closing Balance (Pending Allotment)	-	1,80,00,000	1,80,00,000/-
Purchase / Sales of Securities			
Purchases	-	20,99,68,104/-	20,99,68,104/-
Sales	2,00,00,000	23,63,49,379/-	25,63,49,379/-
Income			
Interest received on Loan	-	46,06,947/-	46,24,190/-
Interest received on Margin Money	-	13,70,608/-	13,70,608/-
Speculation Profit	-	2,06,04,001/-	2,06,04,001/-
Expenditure			
Interest paid on Loan	-	3,34,694/-	3,34,694/-
Demat Charges	-	3,438/-	3,438/-
Director's Meeting Fees	34,000/-	-	34,000/-
Salary	4,66,929/-	4,66,929/-	4,66,929/-

Note : Figures are rounded off to the nearest rupee

**ASHIKA CREDIT CAPITAL LIMITED****SCHEDULES TO THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2008****SCHEDULES – 19 (Contd.)**

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

a) Primary Segment information (By Business Segment)

	Investment and Finance	Merchant Banking Services	Insurance Broking	Others	Total
Segment Revenue	26,42,75,457	2,38,74,032	7,98,739	-	28,89,48,228
Segment Result	1,03,48,212	1,72,36,532	(17,78,666)	-	2,58,06,078
Less: Unallocated Expenditure net off other Unallocated Income	-	-	-	-	1,62,53,208
Profit Before Tax					95,52,870
Tax Expenses (Incl. Deferred Tax)					34,00,781
Net Profit After Tax					61,52,089
Segment Assets	16,94,44,336	26,60,660	2,80,786	-	17,23,85,782
Unallocated Corporate Assets					5,36,10,885
Total Assets					22,59,96,667
Segment Liabilities	6,15,50,080	56,77,718	-	-	6,72,27,798
Unallocated Corporate Liabilities					1,01,07,377
Total Liabilities					7,73,35,175
Capital Expenditure	-	8,86,234	1,95,550	-	10,81,784
Depreciation	10,204	5,98,190	17,536	-	6,25,930
Other Non-Cash expenditure	-	-	53,595	-	53,595

Note : Figures are rounded off to the nearest rupee

Segment revenue, results, assets and liabilities include amounts identifiable to each segment and amounts allocated on a reasonable basis.

The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparation of financial information as disclosed in (A) above.

(b) The Company operates in only one geographic segment i.e. 'within India' and hence no separate information for geographic segment vide disclosure is required.

10. Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the Holding Company's financial statements.

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

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

Place : Kolkata Dated : 18th June, 2008	P. K. SAH, FCA <i>Partner</i> For and on behalf of Sah Lodha & Associates Chartered Accountants	For and on behalf of the Board Pawan Jain <i>Director</i> Daulat Jain <i>Director</i> Babulal Bafna Chief Executive Officer Anju Lohiya Company Secretary
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**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED
31ST MARCH, 2008**

	Year ended 31st March <u>2008</u> Rs.	Year ended 31st March <u>2007</u> RS.
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax	9,552,869.84	1,864,517.08
<i>Adjustments for :</i>		
Depreciation on Fixed Assets	625,930.00	608,234.50
Preliminary & Pre-operative Expenses Written off	53,595.00	90,186.80
Loss on Sale of Fixed Assets	-	170,489.98
(Profit) / Loss on Sale of Investment in Associates	-	(1,253,000.00)
(Profit) / Loss on Sale of Other Investment	(490,754.35)	1,610.00
Provision for Gratuity	248,227.00	-
Interest / Dividend Income on Investments	(884,113.40)	(53,200.00)
Interest Expenses	2,494,636.00	1,938,592.00
Operating Profit Before Working Capital Changes	11,600,390.09	3,367,430.36
<i>Adjustments for :</i>		
(Increase) / Decrease in Stock In Trade	(2,616,507.25)	1,954,660.70
(Increase) / Decrease in Trade Receivables	(6,682,670.13)	71,232.00
(Increase) / Decrease in Loans and Advances	65,348,325.21	(120,519,859.89)
Increase / (Decrease) in Trade Payables	65,239,621.01	(12,458,059.09)
Cash Generated From Operations	132,889,158.93	(127,584,595.92)
<i>Adjustments for :</i>		
Interest Expenses	(2,494,636.00)	(1,938,592.00)
Direct Tax Refunds / (Paid)	(4,598,405.32)	(2,000,633.70)
Net Cash From Operating Activities	125,796,117.61	(131,523,821.62)
B. CASH FLOW FROM INVESTING ACTIVITIES		
<i>Add / (Less):</i>		
Purchase of Fixed Assets	(292,476.00)	(2,271,962.00)
Sale of Fixed Assets	-	7,097,177.54
Purchase of Investments	(72,038,117.91)	(3,450,391.00)
Sale of Investment in Subsidiaries	20,000,000.00	19,112,000.00
Sale of Other Investment	78,057,407.06	1,920,247.00
Interest / Dividend Income on Investments	884,113.40	53,200.00
Share Application Money Paid	(15,500,000.00)	(2,500,000.00)
Net Cash from Investing Activities	11,110,926.55	19,960,271.54

ASHIKA CREDIT CAPITAL LIMITED**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED
31ST MARCH, 2008 (Contd.)**

	Year ended 31st March 2008 <u>Rs.</u>	Year ended 31st March 2007 <u>RS.</u>
C. CASH FLOW FROM FINANCING ACTIVITIES:		
<i>Add / (Less):</i>		
Share Capital Reductions	-	(88,000.00)
Short Term Borrowings / (Repaid)	(125,205,511.00)	121,498,417.00
Net Cash Used In Financing Activities	(125,205,511.00)	121,410,417.00
Net Increase In Cash And Cash Equivalents (A+B+C)	11,701,533.16	9,846,866.92
Cash And Cash Equivalents As At The Beginning Of The Year	20,390,340.92	10,952,723.76
Cash And Cash Equivalents As At The Close Of The Year	32,091,874.08	20,799,590.68

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

As per our report of even date

Place : Kolkata Dated : 18th June, 2008	P. K. SAH, FCA <i>Partner</i> For and on behalf of Sah Lodha & Associates Chartered Accountants	For and on behalf of the Board Pawan Jain Director Daulat Jain Director Babulal Bafna Chief Executive Officer Anju Lohiya Company Secretary
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