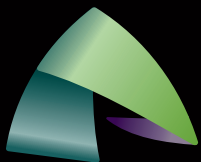


37th
ANNUAL REPORT
2021-22



Advik
Capital Limited

CIN: L65100DL1985PLC022505

🌐 www.advikgroup.com/ail

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CORPORATE INFORMATION

Board of Directors

| | |
|----------------------------|-----------------------------|
| Mr. Virender Kumar Agarwal | Managing Director |
| Mr. Shakul Kumar Agarwal | Whole Time Director |
| Mrs. Manju Agarwal | Non- Executive Director |
| Mr. Ashwini Kumar | Whole-Time Director cum CFO |
| Mrs. Gunjan Jha | Independent Director |
| Mrs. Sony Kumari | Independent Director |
| Mrs. Swati Gupta | Independent Director |

Key Managerial Personnel

| | |
|--------------------------------|---|
| Chief Financial Officer | Company Secretary and Compliance Officer |
| Mr. Ashwini Kumar | Ms. Rashika Gupta |

Statutory Auditors

M/s KSMC & Associates
 Chartered Accountants, G-5, Vikas
 Apartments, 34/1, East Punjabi Bagh, New
 Delhi-110026
 Tel: 011- 011- 41440483
 Email: info@ksmc.in, admin@ksmc.in

Secretarial Auditors

Kumar G & Co.
 Company Secretaries
 80/37A, First Floor, Near Bhagat Singh Park
 Malviya Nagar, New Delhi 110017
 Tel: 011- 011- 40503037
 Email: kumargpankaj@gmail.com

Registered Office

Plot No. 84, Khasra No. 143/84, Ground Floor
 Extended Lal Dora, Kanjhawla Delhi- 110081
 CIN: L65100DL1985PLC022505
 Website: www.advikgroup.com
 Phone No: 011-25952595
 E-mail: advikgroup@yahoo.com
 Help Line: 91-9289119980, 81, 82

Registrar & Share Transfer Agents

Skyline Financial Services Private Limited
 D-153A, 1st Floor, Okhla Industrial Area,
 Phase- I, New Delhi- 110020
 Website: www.skylinerta.com
 CIN: U74899DL1995PTC071324
 Email: info@skylinerta.com
 Tel: 011- 011-40450193-94-95-96-97

Board Committees & its Composition

Audit Committee

| | |
|------------------|-------------|
| Mrs. Gunjan Jha | Chairperson |
| Mrs. Sony Kumari | Member |
| Mrs. Swati Gupta | Member |

Nomination and Remuneration Committee

| | |
|------------------|-------------|
| Mrs. Swati Gupta | Chairperson |
| Mrs. Gunjan Jha | Member |
| Mrs. Sony Kumari | Member |

Stakeholders Relationship Committee

| | |
|-------------------|-------------|
| Mrs. Sony Kumari | Chairperson |
| Mrs. Gunjan Jha | Member |
| Mr. Ashwini Kumar | Member |

Executive Committee

| | |
|-------------------------|-------------|
| Mr. Virender Kr Agarwal | Chairperson |
| Ms. Manju Agarwal | Member |
| Mr. Ashwini Kumar | Member |

Fund Raising Committee

| | |
|-------------------|-------------|
| Mr. Ashwini Kumar | Chairperson |
| Mrs. Sony Kumari | Member |
| Mrs. Gunjan Jha | Member |

NOTICE

Notice is hereby given that the 37th Annual General Meeting of the Shareholders of Advik Capital Limited will be held on Tuesday, September 27, 2022 at 11:30 A.M. through Video Conferencing/ Other Audio Visual Means (OAVM) facility to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (Standalone & Consolidated) of the Company for the year ended March 31, 2022 including the audited Balance Sheet as at March 31, 2022, the Statement of Profit and Loss with Cash Flow Statement for the year ended on that date and the reports of the Board of Directors ('the Board') and Auditors' thereon
2. To appoint a director in place of Mr. Shakul Kumar Agarwal (DIN: 03590891), who retires by rotation and being eligible, offers himself for reappointment.
3. To consider, approve and ratify the appointment of statutory auditor of the Company and to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 139(8) and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or reenactment thereof for the time being in force), and based on the recommendation of Audit Committee, M/s. KSMC & Associates, Chartered Accountants, (Firm Registration Number: 003565N) be and are hereby appointed as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s Garg Anil & Co. Chartered Accountants (Firm Registration No. 6308N) to hold office till conclusion of this 37th Annual General Meeting at such remuneration plus out-of-pocket expenses and applicable taxes etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.

"RESOLVED FURTHER THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or reenactment thereof for the time being in force), and based on the recommendation of Audit Committee M/s. KSMC & Associates, Chartered Accountants, (Firm Registration Number: 003565N) be and are hereby appointed as Statutory Auditors of the Company for a term of five years i.e. to hold office from the conclusion of this 37th Annual General Meeting till conclusion of 42nd Annual General Meeting of the Company to held in the year 2027 at such remuneration plus out-of-pocket expenses and applicable taxes etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS

4. **APPOINTMENT OF MR. ASHWINI KUMAR (DIN: 09651038) AS A DIRECTOR OF THE COMPANY**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Ashwini Kumar (DIN: 09651038), who was appointed as Additional Director by the Board of Directors on July 1, 2022 in terms of Section 161 of the Companies Act, 2013, and whose appointment as a Director is recommended by Nomination and Compensation Committee and the Board of Directors of the Company, and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby appointed as Director of the Company liable to retire by rotation on such terms and conditions as may be determined by the Board of Directors of the Company from time to time.

RESOLVED FURTHER THAT, any of the Directors and/or Company Secretary be and are hereby severally authorized to file necessary returns/forms with the Registrar of Companies and to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution."

5. **APPOINTMENT OF MR. ASHWINI KUMAR (DIN: 09651038) AS A WHOLE TIME DIRECTOR OF THE COMPANY**

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

"RESOLVED THAT pursuant to the provisions of sec 196, 197, 198, 203, Schedule V and any other applicable provisions of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof), Articles of Association of the Company, the members approval be and is hereby accorded to appoint Mr. Ashwini Kumar (DIN: 09651038) as Whole Time Director of the Company of the company for a term of five years commencing from July 1, 2022 ending on June 30, 2027 on payment of monthly remuneration of Rs.1,25,000/- (One Lakh Twenty Five Thousand only), to be increased by inflationary standard annually including base salary, variable pay, perquisites, various allowances, bonus & other benefits etc., and the aforesaid remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment as minimum remuneration in terms Part II of Schedule V of Companies Act, 2013, with liberty to the Board ("Board") to alter and vary the terms & conditions of the said appointment in such manner as may be agreed between the Board and Mr. Ashwini Kumar and approved by Nomination and Remuneration Committee in terms of applicable provisions of the law.

RESOLVED FURTHER THAT Mr. Ashwini Kumar appointed as Whole Time Director of the Company shall be liable to retire by rotation and being eligible offers himself for reappointment and the reappointment as such shall not be deemed to constitute a break in his office as Whole Time Director of the Company.

RESOLVED FURTHER THAT any of the Directors and/or Company Secretary be and is hereby severally authorized to sign and submit Form DIR-12 and other necessary forms with the Registrar of Companies, Delhi & Haryana and to do all such acts, deeds and things as may be necessary for the effective implementation of the above said resolution(s)."

6. **APPOINTMENT OF MRS. SWATI GUPTA (DIN: 09652245) AS A DIRECTOR OF THE COMPANY**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mrs. Swati Gupta (DIN: 09652245), who was appointed as Additional Director by the Board of Directors on July 7, 2022 in terms of Section 161 of the Companies Act, 2013, and whose appointment as a Director is recommended by Nomination and Compensation Committee and the Board of Directors of the Company, and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby appointed as Director of the Company liable to retire by rotation on such terms and conditions as may be determined by the Board of Directors of the Company from time to time.

RESOLVED FURTHER THAT, any of the Directors and/or Company Secretary be and are hereby severally authorized to file necessary returns/forms with the Registrar of Companies and to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution."

7. **APPOINTMENT OF MRS. SWATI GUPTA (DIN: 09652245) AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Mrs. Swati Gupta (DIN: 09652245), who has been appointed as an Additional Director of the Company by the Board of Directors with effect from July 7, 2022 in terms of Section 161(1) of the Companies Act, 2013 and Articles of Association of the Company and whose term of office expires at the Annual General Meeting and who has submitted a declaration that she meets the criteria for independence as provided in the Act and Listing Regulations, be and is hereby appointed as an Independent Non-Executive Director of the Company for a consecutive period of 5 years w.e.f from July 7, 2022.

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

8. **APPROVAL FOR BORROWING UNDER SECTION 180(1)(c) OF THE COMPANIES ACT, 2013**

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

"RESOLVED THAT in supersession of all the earlier resolutions passed in this regard and subject to the provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or re-enactments thereof, the consent of the shareholders of the Company be and is hereby accorded to the Board of Directors to borrow money, as and when required, from, including without limitation, any Bank and/or other Financial Institution and/or foreign lender and/or any body corporate/ entity/entities and/or authority/ authorities, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding a sum of Rs. 250 crores (Rupees Two Hundred and Fifty Crores only) for the Company, notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.

9. **APPROVAL FOR SECURING THE BORROWINGS OF THE COMPANY UNDER SECTION 180(1)(a) OF THE COMPANIES, ACT, 2013**

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

"RESOLVED THAT in supersession of all the earlier resolutions passed in this regard and subject to Section 180(1)(a) and other applicable provisions if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or re-enactments thereof, consent of the shareholders of the company be and is hereby accorded, to the

Board of Directors of the Company to pledge, mortgage, hypothecate and/or charge all or any part of the moveable or immovable properties of the Company and the whole or part of the undertaking of the Company of every nature and kind whatsoever and/or creating a floating charge in all or any movable or immovable properties of the Company and the whole of the undertaking of the Company to or in favour of banks, financial institutions, investors and any other lenders to secure the amount borrowed by the Company or any third party from time to time for the due payment of the principal and/or together with interest, charges, costs, expenses and all other monies payable by the Company or any third party in respect of such borrowings provided that the aggregate indebtedness secured by the assets of the Company does not exceed a sum of Rs. 250 crores (Rupees Two Hundred and Fifty Crores only) the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

**By order of the Board
For Advik Capital Limited**

**Place: New Delhi
Date: August 25, 2022**

**Rashika Gupta
Company Secretary
M.NO: ACS 60344**

NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing EGM/AGM through VC/OAVM.
2. The deemed venue for thirty-seventh e-AGM shall be the Registered Office of the Company at Plot No. 84, Khasra No. 143/84, Ground Floor, Extended Lal Dora, Kanjhawla, Delhi-110081
3. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this EGM/AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the EGM/AGM through VC/OAVM and participate there at and cast their votes through e-voting.
4. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the EGM/AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Annual General Meeting is annexed.
7. The Register of Members and Share Transfer Books shall remain closed from Wednesday, September 21, 2022 to Tuesday, September 27, 2022 (Both days inclusive) for the purpose of annual closing and for the 36th Annual General Meeting of the Company.
8. The Company has appointed M/s Kumar G & Co., a Practicing Company Secretary, as Scrutinizer to scrutinize the remote e-voting process and through poll at the Annual General Meeting in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
9. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the EGM/AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the EGM/AGM will be provided by NSDL.
10. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the /AGM has been uploaded on the website of the Company at www.advikgroup.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and the EGM/AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
11. EGM/AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.
12. A copy of the Financial Statements along with the Auditor's Report, Board's Report, Corporate Governance Report and such other matters necessary for the shareholders is annexed to the notice in the Annual Report. Electronic copy of the Annual Report for 2021-22 is being sent to all the Members whose e-mail addresses are registered with the Company / Depository Participant(s) for communication. The Annual Report may also be accessed on the Company's Corporate Website www.advikgroup.com

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Saturday, September 24, 2022 at 9:00 A.M. and ends on Monday, September 26, 2022 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Saturday, September 20, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 20, 2022.

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





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

Step 1: Access to NSDL e-Voting system

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

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

| Type of shareholders | Login Method |
|---|--|
| Individual Shareholders holding securities in demat mode with NSDL. | <ol style="list-style-type: none"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center; border: 1px solid black; padding: 10px; margin: 10px 0;"> <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p>  </div> <div style="text-align: center;">  <p>Google Play</p>  </div> </div> </div> |
| Individual Shareholders holding securities in demat mode with CDSL | <ol style="list-style-type: none"> 1) Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2) After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress. |

| | |
|--|--|
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
|--|--|

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

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

| Login type | Helpdesk details |
|--|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 23058738 -022 or 43-23058542-022 |

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

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

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

4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|--|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****. |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

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

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

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 - a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
9. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
10. Now, you will have to click on "Login" button.
11. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

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

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

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to kumargpankaj@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "**e-Voting**" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to advikcapital@gmail.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to advikcapital@gmail.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **[Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.](#)**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE 15th AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at advikcapital@gmail.com
6. The same will be replied by the company suitably.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**ITEM NO. 3**

M/s Garg Anil & Co. Chartered Accountants (Firm Registration No. 6308N) vide its letter dated August 6, 2022 have tendered their resignation from the position of Statutory Auditors of the Company, resulting into a casual vacancy in the office of Statutory Auditors of the Company and as envisaged by Section 139(8) of the Companies Act, 2013 casual vacancy caused by the resignation of auditor can be filled by the shareholders in General Meeting within three months from the date of recommendation of the Board of Directors of the Company.

Therefore, the Board of Directors of the Company recommended at its meeting held on August 25, 2022, that M/s. KSMC & Associates, Chartered Accountants, (Firm Registration Number: 003565N) be appointed as the Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s Garg Anil & Co. Chartered Accountants (Firm Registration No. 6308N) and to appoint M/s. KSMC & Associates, Chartered Accountants for a period of 5 consecutive years from the conclusion of the 37th Annual General Meeting till the conclusion of 42th Annual General Meeting which ought to be held in the year 2027.

M/s. KSMC & Associates, Chartered Accountants, (Firm Registration Number: 003565N), have conveyed their consent to be appointed as the Statutory Auditors of the Company along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013.

The terms of appointment of the Statutory Auditors will be as specified by the Audit Committee & the Board of Directors of the Company.

The Audit Committee and the Board of Directors of the Company have considered the following credentials of M/s. KSMC & Associates, Chartered Accountants, (Firm Registration Number: 003565N) while considering their appointment:

- Availability of expertise in Accounting procedures/ processes, Audit, Direct/Indirect Taxation and Corporate Laws.
- Professional integrity, ethics and independence.
- Availability of well trained and experienced professionals.

The Board of Directors of your Company, therefore, recommend the Resolution set out in item No. 3 of this Notice for the approval of the members by way of passing an Ordinary Resolution.

None of the Director(s), Key Managerial Personnel and their relatives is, in any way, concerned or interested, financially or otherwise, in the above referred resolution except to the extent of their shareholding.

ITEM NO. 4

In accordance with the provisions of Section 161(1) of the Companies Act, 2013 read with the Articles of Association of the Company Mr. Ashwini Kumar (DIN: 09651038), was appointed as an Additional Director on the Board of the Company with effect from July 1, 2022. In terms of Section 161 of the Companies Act, 2013, they are eligible to hold office only up to the conclusion of the ensuing Annual General Meeting.

The Board based on the recommendation of Nomination and Compensation Committee, is of the view that the appointment of Mr. Ashwini Kumar as a Director of the Company is desirable and would be beneficial to the Company. Mr. Ashwini Kumar is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Board of Directors recommended the appointment of Mr. Ashwini Kumar (DIN: 09651038), who being eligible offered himself for appointment. Every Director has to be appointed by the Company in General Meeting in terms of the provisions of Section 152 of the Companies Act, 2013. Therefore, the Board proposes to obtain the approval of shareholders by way of passing an Ordinary Resolution.

The Board recommends the resolution set forth in Item No. 4 for the approval of the members.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives except Mr. Ashwini Kumar, to whom the resolution relates, is concerned or interested, financially or otherwise, in the resolution set out in the Notice, except to the extent of their shareholding, if any.

ITEM NO. 5

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of your Company in its meeting held on June 30, 2022, appointed Mr. Ashwini Kumar (DIN: 09651038) as Whole Time Director of the Company, liable to retire by rotation, for a period of five years effective from July 1, 2022 itself, subject to approval of the Shareholders.

The Board, while appointing Mr. Ashwini Kumar as Whole Time Director of the Company, considered his background, experience and contributions towards the growth of the Company. Mr. Ashwini Kumar is a fellow member of ICSI and ICAI, having 23+ years' experience in the field of Finance, Accounts, Corporate Laws, Secretarial Functions and Compliances. He possesses in-depth knowledge of several critical aspects of business such as corporate restructuring, M&A, fund-raising, debt syndication, Investors' Relation Management etc. and as such his appointment would not only enhance diversity of the Board but would also add professional value in decision making.

The main terms and conditions relating to the appointment and remuneration of Mr. Ashwini Kumar as Whole time Director of the Company are as follows:

(1) Period:

For a period of 5 years i.e., from July 1, 2022 to June 30, 2027

(2) Nature of Duties:

The Whole Time Director shall devote his whole time and attention to the business of the Company and perform such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company.

(3) A. Remuneration: Current basic salary of Rs.1,25,000/- (One Lakh Twenty Five Thousand only) per month including base salary, variable pay, perquisites, various allowances, bonus & other benefits etc., to be increased by inflationary standard annually based on the recommendations of the Nomination and Remuneration Committee ('NRC'). The recommendation of NRC will be based on Company performance and individual performance.

B. Minimum Remuneration: Notwithstanding anything to the contrary herein contained where in any financial year during the tenure of Mr. Ashwini Kumar, the Company has no profits or its profits are inadequate, the Company will pay him aforesaid remuneration as minimum remuneration in terms Part II of Schedule V of Companies Act, 2013 by way of salary, benefits and perquisites and allowances, bonus etc. as approved by the Board.

(4) Other Terms of Appointment :

- a. The Whole Time Director, so long as he functions as such, undertakes not to become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company.
- b. The terms and conditions of the appointment of the Whole Time Director and/or this Agreement may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the Whole Time Director, subject to such approvals as may be required.
- c. All Personnel Policies of the Company and the related rules which are applicable to other employees of the Company shall also be applicable to the Whole Time Director unless specifically provided otherwise.
- d. The appointment may be terminated earlier, without any cause, by either Party by giving to the other Party six months' notice of such termination or the Company paying six months' remuneration which shall be limited to provision of Salary, Benefits, Perquisites, Allowances and any pro-rated Bonus/Performance Linked Incentive/Commission (paid at the discretion of the Board), in lieu of such notice.

Further, the employment of the Whole Time Director may be terminated by the Company without notice or payment in lieu of notice, if he is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or in the event of any serious or repeated or continuing breach (after prior warning) or non-observance by him of any of the stipulations, instructions of the Board or in the event the Board expresses its loss of confidence in the Whole Time Director.

- e. The terms and conditions of appointment of Whole Time Director also include clauses pertaining to adherence to the Company's Code of Conduct, protection and use of intellectual property, non-competition, non-solicitation post termination of agreement and maintenance of confidentiality etc.

The profile and specific areas of expertise of Mr. Ashwini Kumar are provided as **Annexure A** to this Notice.

In compliance with the provisions of Section 196, 197, 203 and other applicable provisions of the Act, read with Schedule V to the Act as amended, and based on the recommendation of the Board and the Nomination and Remuneration Committee, approval of the Members is sought for the appointment and remuneration of Mr. Ashwini Kumar as Whole Time Director as set out above. The Board recommends the Resolution set forth in Item No. 5 for the approval of Members.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives except Mr. Ashwini Kumar, to whom the resolution relates, is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice, except to the extent of their shareholding, if any.

ITEM NO. 6

In accordance with the provisions of Section 161(1) of the Companies Act, 2013 read with the Articles of Association of the Company Mrs. Swati Gupta (DIN: 09652245), was appointed as an Additional Director (Non-executive, Independent Category) on the Board of the Company with effect from July 7, 2022. In terms of Section 161 of the Companies Act, 2013, they are eligible to hold office only up to the conclusion of the ensuing Annual General Meeting.

The Board based on the recommendation of Nomination and Compensation Committee, is of the view that the appointment of Mrs. Swati Gupta as a Director of the Company is desirable and would be beneficial to the Company. Mrs. Swati Gupta is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Board of Directors recommended the appointment of Mrs. Swati Gupta, who being eligible offered herself for appointment. Every Director has to be appointed by the Company in General Meeting in terms of the provisions of Section 152 of the Companies Act, 2013. Therefore, the Board proposes to obtain the approval of shareholders by way of passing an Ordinary Resolution.

The Board recommends the resolution set forth in Item No 6 for the approval of the members.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives except Mrs. Swati Gupta, to whom the resolution relates, is concerned or interested, financially or otherwise, in the resolution set out in the Notice, except to the extent of their shareholding, if any.

ITEM NO. 7

The Board based on the recommendation of Nomination and Compensation Committee, is of the view that the appointment of Mrs. Swati Gupta (DIN: 09652245) as an Independent Director of the Company would be valuable to the Company. Mrs. Swati Gupta is a young, dynamic and Qualified Chartered Accountant having an experience of more than 4 years in the field of Accounts/ Finance/ Internal Audit/ Taxation field. She also has knowledge of Corporate Law, Strategic/ Financial Planning, Working Capital Management, Filings, Statutory Compliances and MIS among other aspects of corporate functioning. Mrs. Swati Gupta is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as an Independent Director of the Company.

The Board of Directors recommends appointment Mrs. Swati Gupta as Non-executive Independent Director of the Company. Mrs. Swati Gupta has given her consent and has submitted a declaration that she meets the criteria for independence as provided in the Act and Listing Regulations. In term of Section 149 of the Companies Act, 2013, Mrs. Swati Gupta's tenure as an Independent Non-Executive Director of the Company shall be for a consecutive period of 5 years w.e.f from July 7, 2022. Brief profile and other details of Mrs. Swati Gupta is provided as part of this notice as **Annexure A**.

Further, pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2021 read with the corrigendum, the appointment, reappointment or removal of an independent director of a listed entity, shall be subject to the approval of shareholders by way of a special resolution w.e.f. January 1, 2022, therefore the Board of Directors of your Company recommends resolution for members approval by way of passing as a special resolution.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives except Mrs. Swati Gupta, to whom the resolution relates, is concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice, except to the extent of their shareholding, if any.

ITEM NO. 8 & 9

To support Company's business operations, the company requires funds and these funds are generally raised from various Banks and/or Financial Institutions and/or any other lending institutions and/or foreign lender and/or any other body corporate/entity/entities and/or authority/authorities and/or through suppliers credit, any other securities or instruments, such as floating rate notes, fixed rate notes, syndicated loans, debentures, commercial papers, short term loans or any other instruments etc. and/or through credit from of official agencies and/or by way of commercial borrowings from the private sector window of multilateral financial institution, either in rupees or in such other foreign currencies as may be permitted by law from time to time, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital and the free reserves of the Company. Hence it is proposed to increase the maximum borrowing limits upto Rs.250 crores (Rupees Two Hundred and Fifty Crores only).

In term of section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any one time except with the consent of the members of the Company obtained by mean of passing a special resolution in a general meeting.

Further, to secure the borrowing made by the Company, the company is generally asked to create charge on certain assets or whole of the undertaking of the Company. Section 180(1)(a) of the Companies Act, 2013 empowers the Board of Directors to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company subject to the approval of members in the general meeting.

Hence, it proposed to seek necessary members approval to borrow money from any bank, financial institutions, bodies corporate or business associates or through permitted channel in excess of paid up capital and free reserves of the company by a sum not exceeding Rs.250 crores and creation of security through mortgage or pledge or hypothecation or otherwise or through combination for securing the limits as may be sanctioned by the lenders, for the loans to be sanctioned by any one or more company's bankers and /or by any one or more persons, firms, bodies corporate, or financial institutions or banks, the Company would be required to secure all or any of the Current assets, moveable properties of the Company present and future.

The management is contemplating new and expansive business plans and thus we are seeking members approval for smooth and efficient implementation of Company's proposed business plans.

The resolution as set out at item No. 8 & 9 of the notice is placed for your approval of the aforesaid limits of borrowing by the board up to an amount not exceeding Rs. 250 crores.

**By order of the Board
For Advik Capital Limited**

**Rashika Gupta
Company Secretary
M.NO: ACS 60344**

**Place: New Delhi
Date: August 25, 2022**

Annexure A
DETAILS OF DIRECTORS WHO ARE PROPOSED TO BE APPOINTED

[Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and clause 1.2.5 of the Secretarial Standard -2]

| | | |
|--|--|---|
| Name | Mr. Ashwini Kumar | Mrs. Swati Gupta |
| Age | 54 years | 27 years |
| DIN | 09651038 | 09652245 |
| Nationality | Indian | Indian |
| Date of first appointment on the Board | July 1, 2022 | July 7, 2022 |
| Experience and Nature of expertise in specific functional areas | Mr. Ashwini Kumar is having 23+ years of experience in the field of Finance, Accounts, Corporate Laws, Secretarial Functions and Compliances. He possesses in-depth knowledge of several critical aspects of business such as corporate restructuring, M&A, fund-raising, debt syndication, Investors' Relation Management etc. | Mrs. Swati Gupta is having an experience of more than 4 years in the field of Accounts/Finance/ Internal Audit/ Taxation field. She also has knowledge of Corporate Law, Strategic/ Financial Planning, Working Capital Management, Filings, Statutory Compliances and MIS among other aspects of corporate functioning. |
| Qualification | Mr. Ashwini Kumar is a fellow member of ICSI and ICMAI. | Mrs. Swati Gupta is a young, dynamic and Qualified Chartered Accountant. |
| Shareholding in the Company directly or as beneficial owner for any other person | NIL | NIL |
| Terms and conditions of Appointment | Appointment as a Whole Time Director for a period of 5 years | Appointment as an Independent Director for a period of 5 years |
| Details of remuneration sought to be paid and remuneration last Drawn | NIL | NIL |
| Directorships held in other Companies | - | - |
| Membership / Chairmanship of Committee(s) of other Companies: (only two Committees viz. Audit Committee and Stakeholders Relationship Committee have been considered) | - | - |
| Relationship with other Directors, Manager and Key Managerial Personnel of the company | No, Not related to any existing / New Director | No, Not related to any existing / New Director |
| No. of meetings of the Board of Directors attended during the F.Y. 2021-22 | Not Applicable | Not Applicable |

BOARD'S REPORT

The Board of Directors hereby submits the report of the business and operations of your Company, along with the audited financial statements, for the financial year ended March 31, 2022.

FINANCIAL RESULTS AND OPERATIONS

The financial performance for the year ended March 31, 2022 is summarized below:

(Amount in Lakhs)

| Particulars | Standalone | | Consolidated | |
|--|------------|---------|--------------|---------|
| | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| Net Sales /Income from Business Operations | 3949.52 | 47.71 | 4645.90 | 625.86 |
| Other Income | - | 0.80 | 11.81 | 2.11 |
| Total Income | 3949.52 | 48.51 | 4657.72 | 627.97 |
| Financial Costs | 0.02 | - | 20.51 | 21.84 |
| Purchase of Stock in trade | 3944.10 | - | 3944.10 | - |
| Cost of Material Consumed | - | - | 565.12 | 439.00 |
| Changes in Inventories and stock in trade | (91.63) | - | (87.06) | 7.00 |
| Employee Benefit Expense | 31.15 | 32.15 | 63.61 | 60.05 |
| Depreciation and Amortization Expense | 2.89 | 0.12 | 23.43 | 18.74 |
| Other Expenses | 9.01 | 11.04 | 64.73 | 71.55 |
| Total Expenses | 3895.54 | 43.31 | 4594.42 | 618.18 |
| Profit before Exceptional items | 53.98 | 5.20 | 63.29 | 9.79 |
| Add: Exceptional items | - | - | - | - |
| Net Profit Before Tax | 53.98 | 5.20 | 63.29 | 9.80 |
| Less Current Tax | 11.46 | 1.29 | 14.44 | 2.33 |
| Less Deferred Tax liability/(assets) | 1.39 | 0.01 | 1.48 | 0.26 |
| Profit for the Period | 41.13 | 3.90 | 47.38 | 7.20 |
| Basic EPS | 0.09 | 0.01 | 0.10 | 0.02 |
| Transfer to Reserve Fund u/s 45-IC(1) of the RBI Act, 1934 | 8.23 | 0.78 | 8.23 | 0.78 |
| Contingency Reserve | 0.33 | 0.03 | 0.33 | 0.03 |
| Reserve for Bad and Doubtful Debt | 2.06 | 0.26 | 2.06 | 0.26 |

During the year under review, the Company achieved a turnover of Rs. 3949.52 Lacs as against Rs. 47.71 Lacs for previous year whereas, the profit of the Company for the period under review were Rs. 41.13 Lacs as compared to profit of the company Rs. 3.90 Lacs in the previous year.

On consolidated basis, the Company recorded a turnover of Rs. 4645.90 Lacs during the financial year 2021-2022 and achieved Net Profit of Rs. 47.38 Lacs for the said financial year.

BUSINESS OVERVIEW & FUTURE OUTLOOK

Your Company is currently engaged in NBFC and Financial activities. The Company intends to continue focusing on NBFC activities including financing, Inter- corporate Investments & Capital Market activities. The Company continues to enhance its business operations by ensuring that our network of customers increases through our marketing efforts.

We intend to remain diversified in our loan book by strategically focusing on adjacent high growth and profitable lending businesses and further expand our lending and other businesses. We intend to continue to focus on developing a diversified funding model to achieve optimal cost of funds while balancing liquidity and concentration risks. As our cost of borrowings is determined by our financial discipline and business performance, we intend to source funding at competitive rates. In particular, with respect to our credit business, a decrease in cost of borrowings will enable us to price our products in a more competitive manner. We intend to further diversify and strengthen our profile, strategically adding additional funding resources.

We intend to continue to grow our loan portfolio by expanding our network through the addition of new branches. A good reach to customers is very important in our business. Increased revenue, profitability and visibility are the factors that drive the branch network. Our strategy for branch expansion includes further strengthening our presence in various parts of India by providing higher accessibility to customers.

CAPITAL STRUCTURE

Authorized Share Capital

The Authorized Share Capital of the Company as on March 31, 2022 was Rs. 2,500 Lakhs divided into 25,00,00,000 Equity Shares of Re.1/- each.

During the year under review, the authorized share capital was increased from Rs. 458.74 Lakhs to Rs. 2,500 Lakhs on January 29, 2022 by the members approval obtained through Postal Ballot .

Paid-up Share Capital

As on March 31, 2022, the Issued and Paid-up Share Capital of the Company stood at Rs. 458.74 Lakhs divided into 4,58,73,600 fully paid up equity shares of face value of Re. 1/- per share.

During the year under review, the members by way of passing special resolution through postal ballot on January 29, 2022 approved the raising of funds by way of a rights issue for up to an aggregate amount of Rs. 50 Crore (Rupees Fifty Crore), in accordance with the Companies Act, 2013 and the rules made thereunder, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended and other applicable laws.

Post Closure of the Financial year under review, the pursuant to members approval, stock exchanges and other statutory approvals, the Company on April 19, 2022 approved the allotment of 17,43,19,680 Fully Paid-up Equity shares of face value of Re. 1/- each at a price of Rs. 2.85/- per Equity share including premium of Rs. 1.85 per Rights Equity share to the eligible applicant's consequent to which the Paid up capital of the increased from Rs. 458.74 Lakhs to Rs. 2201.93 Lakhs divided into 22,01,93,280 fully paid-up equity shares of face value of Re. 1/- per share.

BOARD OF DIRECTORS

The Board of Directors provides the blue print to the success of any organization, it plans and implements various strategies to grow not only in numbers but in value and cater to its stakeholders.

Your Company's Board consists of learned professionals and experienced individuals from different fields. As on March 31, 2022, your Board comprises of six Directors, Chief Financial Officer and Company Secretary. Amongst the directors, two are executive, one is non-executive and three are Independent Directors including two Women Directors on the Board.

The Board met 7 (seven) times during the year, details pertaining to Board and Committee Meetings held during the year are detailed in Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time.

During the year the following changes took place on the board:

1. Resignation of Mr. Vineet Gupta (DIN: 07714972) from the office of Director (Independent) with effect from December 28, 2021.
2. Resignation of Ms. Chetna (DIN: 08981045) from the office of Director (Independent) of the Company with effect from December 28, 2021.
3. Appointment of Ms. Sony Kumari (DIN: 09270483) as Additional Director (Independent, Non-executive) of the Company with effect from December 28, 2021 and was subsequently appointed as Independent Director of the Company by obtaining members approval through postal ballot on January 29, 2022.
4. Appointment of Ms. Gunjan Jha (DIN: 09270389) as Additional Director (Independent, Non-executive) of the Company with effect from December 28, 2021 and was subsequently appointed as Independent Director of the Company by obtaining members approval through postal ballot on January 29, 2022.

Post Closure of the financial year under review, based on the recommendation of the Nomination and Remuneration Committee, following changes took place in the composition of the Board/KMP of your Company:

1. Resignation of Mr. Hemant Agarwal (DIN: 02717104) from the office of Director (Independent) with effect from April 7, 2022.
2. Appointment of Mr. Om Prakash Aggarwal (DIN: 09553402) as an Additional Director (Category: non-promoter, non-executive, Independent) with effect from April 7, 2022 who later tendered his resignation vide resignation letter dated May 28, 2022 and resigned with effect from July 6, 2022.
3. Appointment of Mr. Madhur Bansal (DIN:07864130) as an Additional Director and Whole Time Director subject to members approval, for a period of 5 years commencing April 7, 2022 who later resigned on June 30, 2022.
4. Appointment of Mr. Ashwini Kumar (DIN: 09651038) as an Additional Director and Whole Time Director subject to members approval, for a period of 5 years commencing from July 1, 2022 till June 30, 2027.
5. Appointment of Mrs. Swati Gupta (DIN: 09652245) as an Additional Director (Category: non-promoter, non-executive, Independent) with effect from July 7, 2022.

The Board of Directors of your Company recommended the appointment of Mr. Ashwini Kumar as Whole Time Director and Mrs. Swati Gupta as Independent Director in the ensuing Annual General Meeting.

Pursuant to the Provisions of Section 152 of Companies Act, 2013, Mr. Shakul Kumar Agarwal (DIN: 03590891) will retire by rotation in the ensuing Annual General Meeting and being eligible, has offers himself for re-appointment and the Board recommends his re-appointment.

The information of Directors, seeking appointment/re-appointment, pursuant to Regulation 36(3) of the Listing Regulations and Companies Act, 2013 is provided in the notice of the 37th Annual General Meeting of the Company.

DECLARATION OF INDEPENDENCE

The Independent Directors have confirmed that they meet the criteria of Independence as stipulated under Section 149(6) of the Companies Act, 2013 read with the Regulation 16 (1) (c) of the Listing Regulations and they are not aware of any circumstances or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence as an Independent Director of the Company.

The Board conforms to the declaration of the Independent Directors and there being no doubts as to veracity of the same, places the same on record.

KEY MANAGERIAL PERSONNEL

The Board of your Company consisted of the following Key Managerial Personnel (KMP'S) as on the yearended March 31, 2022:

1. Chief Financial Officer : Mr. Rishab Kumar Agarwal
2. *Company Secretary : Ms. Rashika Gupta

*During the year, Ms. Poonam Mehta Kalra resigned from the office of Company Secretary and Compliance Officer w.e.f December 28, 2021 and thereafter Ms. Rashika Gupta was appointed as the Company Secretary and Compliance officer on December 28, 2021.

After closure of the financial year under review, Mr. Rishab Kumar Agarwal resigned from the office of Chief Financial Officer (CFO) of the Company with effect from April 7, 2022 and subsequently Mr. Madhur Bansal was appointed as the CFO of the company who later resigned on June 30, 2022. Thereafter, Mr. Ashwini Kumar was appointed as CFO of the Company with effect from July 1, 2022.

BOARD COMMITTEES

In compliance with the requirements of Companies Act, 2013 and Listing Regulations your Board had constituted various Board Committees including Audit Committee, Nomination & Remuneration Committee, and Stakeholders Relationship Committee. Details of the constitution of these Committees, which are in accordance with regulatory requirements, have been uploaded on the website of the Company viz. www.advikgroup.com.

Details of scope, constitution, terms of reference, number of meetings held during the year under review along with attendance of Committee Members is provided under Corporate Governance Report forming part of the Annual Report.

ANNUAL BOARD EVALUATION

In line with the statutory requirements enshrined under the Companies Act, 2013 and the Listing Regulations, the Board carried out a performance evaluation of itself, its Committees, the Chairman and each of the other Directors. The performance evaluation was carried out on the basis of framework approved by the Nomination and Remuneration Committee. The Committee had unanimously consented for an 'in-house' review built on suggestive parameters. Based on the suggestive parameters approved by the Nomination and Remuneration Committee, the following evaluations were carried out:

1. Review of performance of the non-independent Directors and Board as a whole by Independent Directors.
2. Review of the performance of the Chairperson by the Independent Directors.
3. Review of Board as a whole by all the Members of the Board.
4. Review of all Board Committees by all the Members of the Board.
5. Review of Individual Directors by rest of the Board Members except the Director being evaluated.

REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES

As per provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed company is required to disclose the ratio of the remuneration of each director to the median employee's remuneration and details of employees receiving remuneration exceeding limits as prescribed from time to time in the Directors' Report.

Accordingly, the disclosures pertaining to the remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 is also annexed to this Report.

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

In terms of the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s Garg Anil & Co., Chartered Accountants (Firm Registration No. 6308N), was appointed as the Auditors of your Company for the period of 5 years commencing from Financial Year 2018-19 to hold office till the conclusion of 38th AGM of your Company to be held in the year 2023.

Post closure of the financial year under review, M/s Garg Anil & Co., Chartered Accountants have tendered their resignation vide their resignation letter dated August 6, 2022 from the position of Statutory Auditors of the Company resulting into a casual vacancy in the office of Statutory Auditors of the Company as envisaged by Section 139(8) of the Companies Act, 2013.

Therefore, subject to members approval, the Board of director of your company has appointed M/s. KSMC & Associates, Chartered Accountants, (Firm Registration No: 003565N) as the Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s Garg Anil & Co. Chartered Accountants (Firm Registration No. 6308N) to hold office till the conclusion of ensuing 37th Annual General Meeting and for a period of 5 consecutive years from the conclusion of the ensuing 37th Annual General Meeting till the conclusion of 42nd Annual General Meeting which ought to be held in the year 2027.

The appointment of M/s. KSMC & Associates, Chartered Accountants, (Firm Registration No: 003565N) as the Statutory Auditors is being recommended for the members approval by way of passing an Ordinary Resolution.

Further, there are no qualifications, reservations, or adverse remarks in the Report issued by M/s Garg Anil & Co., Chartered Accountants, Statutory Auditors, for the year under review. Remarks made in the Report are self-explanatory and do not call for any further comments from your directors.

Secretarial Auditor

M/s A. K. Verma & Co., Company Secretaries were appointed as the Secretarial Auditor of your Company to carry out the Secretarial Audit for the financial year 2021-2022. The Secretarial Audit Report issued by the Secretarial Auditors in Form No. MR-3 is annexed with this Report.

There are no qualifications or reservations in the Secretarial Audit Report.

In terms of extant provisions of Listing Regulations read with SEBI circulars issued on the Secretarial Compliance Report, the Company was not required to submit Annual Secretarial Compliance Report to the Stock Exchange as mandated under Regulation 24 A of SEBI (Listing Obligations and Disclosure Requirement) (Amendment) Regulations, 2018 as the Company falls under the criteria specified under Regulation 15 (2) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 due to the fact that the paid-up Equity Share Capital and Net Worth of the Company was below Rs. 10 Crores and Rs. 25 Crores, respectively as on the close of the Financial Year i.e. March 31, 2022.

DISCLOSURE REGARDING MAINTENANCE OF COST RECORDS

Since the Company is engaged in the business of Non-Banking Financial Company, therefore the provisions of Section 148 of the Companies Act, 2013 regarding maintenance of Cost Records and Cost Audit is not applicable to the Company as required to be disclosed under Clause (ix) of sub-rule 5 of Rule 8 of the Companies (Accounts) Rules, 2014

TRANSFER TO RESERVE FUND

Under section 45-IC (1) of Reserve Bank of India ('RBI') Act, 1934, non-banking financial companies ('NBFCs') are required to transfer a sum not less than 20% of its net profit every year to reserve fund before declaration of any dividend. Accordingly, the Company has transferred a sum of Rs. 8.23 Lakhs to its reserve fund.

Also, the company has pursuant to Notification of Reserve Bank of India dated January 17, 2011 vide Notification no. DNBS.PD.CC. No.207/03.02.002/2010-11 for making the 'Provision of 0.25% for Standard Assets of NBFCs', the Company has transferred a sum of Rs. 2.06 Lakhs i.e. 0.25% on the Standard Assets of the Company under the Reserve named "Provision for Bad and Doubtful Debts".

Further the company is complying with all the Reserve Bank of India guidelines as issued from time to time related to provisioning and reserves.

DIVIDEND

To conserve the resources for the expansion of business in the long run, your directors have not recommended any dividend for the Financial Year 2021-22 and have decided to retain the profits.

DEPOSITS

During the period under review the Company has not accepted any public deposits and therefore no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

In addition of above, the Company is registered as a Non-Banking Finance Company- Not accepting deposits. Hence, pursuant to Section 45- IA of the Reserve Bank of India Act, 1934, the Company cannot accept deposits from public, which is complied by the Company during the Financial Year.

Further, the Directors of the company assured to carry on the practice of not accepting the same in order to comply with RBI norms and guidelines in the coming year and the same has been proposed and passed in the meeting of Board of Directors dated May 28, 2022.

RBI GUIDELINES

The Company continues to comply with all the applicable regulations prescribed by the Reserve Bank of India ("RBI"), from time to time.

SECRETARIAL STANDARDS

During the year under review the Company has complied with all applicable Secretarial Standards issued by Institute of Company Secretaries of India.

ANNUAL RETURN

The Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 of your Company for the financial year under review is available at website of your Company www.advikgroup.com under the "Investor Zone" section.

CORPORATE SOCIAL RESPONSIBILITY

The provisions of Corporate Social Responsibility are not applicable to the Company and hence disclosures under Sec 135 of the Companies Act, 2013 are not applicable to the Company.

CORPORATE GOVERNANCE AND ETHICS

The Company believes in adhering to the best corporate governance practices and its philosophy emphasizes on fair and transparent governance and disclosure practices which helps your Company to follow the path of its vision and mission. It strongly believes in developing best corporate governance policies and procedures based on principals of fair and transparent disclosures, equity, accountability and responsibility.

Pursuant to Regulation 15(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015, the compliance with the corporate governance provisions as specified in Regulation 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and paras C, D and E of Schedule V of SEBI LODR Regulations was not applicable to the Company as the paid up equity share capital of the Company and Net worth of the Company is not exceeding Rs. 10 Crore and Rs. 25 Crore respectively as on the close of the Financial Year i.e. March 31, 2022.

However, as a good corporate practice, the Company has provided the information in Corporate Governance Report on a suo-moto basis under the provisions of paras C, D and E of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015.

A detailed report on Corporate Governance, in terms of Regulation 34 of the Listing Regulations is forming part of the Annual Report.

Certificate confirming compliance with requirements of Corporate Governance as enumerated under the extant provisions of Listing Regulations is not required to be obtained, as the regulations pertaining to corporate governance were not mandatory for the Company, during the financial year under review.

ADEQUACY OF INTERNAL CONTROLS

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. The Statutory and the Internal Auditors routinely conduct system checks and give their report after evaluation of the efficacy and adequacy of internal control systems including controls with respect to the financial statements, its compliance with operating systems, accounting procedures and policies in the Company. Based on the report of Internal Audit, the departments undertake corrective action in their respective areas and thereby strengthen the controls.

RISK MANAGEMENT

During the year, the Board of Directors developed and implemented an appropriate risk management policy which is entrusted with the responsibility to assist the Board in overseeing and approving the Company's enterprise-wide risk management framework and overseeing all the risks that the organization faces, identifying the element of risk which, in the opinion of the Board may threaten the existence of the company and safeguarding the company against those risks.

INVESTOR RELATIONS

Your Company has been continuously interacting and endeavors to further improve its engagement with investors/analysts by participating either in-person meetings or through use of technology i.e. telephone meetings.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') Management Discussion and Analysis report ("MD&A Report") providing a detailed overview of your Company's performance, industry trends, business and risks involved is provided separately and is forming part of the Annual Report.

SUBSIDIARY COMPANIES, JOINT VENTURE AND CONSOLIDATED FINANCIAL STATEMENTS

During the year, "Advik Optoelectronics Limited" continues to be the subsidiary of your Company and there are no other Associate or Joint Venture Company.

The Annual Report of the Subsidiary Company will be made available for inspection by the Members of the Company at the Registered Office of the Subsidiary Company and at the Registered Office of your Company between 11:00 A.M. to 1:00 P.M. on any working day.

Audited Financial Statements of the Subsidiary Company is also available on the website of the Company at www.advikgroup.com and shall also be provided to the members of the Company upon receipt of written requests from them.

During the year, the Board of Directors reviewed the affairs of the subsidiary Company and pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014, Consolidated Financial Statements of the Company has been annexed to the Annual Report which reflects the performance and financial position of each of the subsidiary Company.

Further a statement containing salient features of the Financial Statements of the aforesaid Subsidiary Company has been provided in **Form No. AOC-1** and included in this Annual Report.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There have been no material changes and commitments affecting the financial position of your Company occurring between the end of the Financial Year and the date of this Report.

However, following major events happened occurred between the end of the financial year to which this financial statements relate and the date of the report:

Right Issue of Fully Paid-Up Equity Shares

The Company has issued certain equity shares on Right basis to its existing shareholders as detailed herein below:

| Particulars | Issue of Fully Paid Up Equity Shares on Right basis to raise funds up to Rs. 50 Cr |
|---|--|
| Date of Board Approval | December 28, 2021 |
| Date of members approval | January 29, 2022 |
| Issue Size | Rs. 4968.11 Lakhs |
| No. of Shares to be issued | 17,43,19,680 |
| Rights Entitlement Ratio | 19:5 |
| Issue Price (including a premium of ₹ 1.85 per equity share) | Rs. 2.85/- per share |
| Record Date | March 11, 2022 |
| Issue Period | From March 21, 2022 to April 7, 2022 |
| Date of Allotment | April 19, 2022 |
| No. of Fully Paid-up Shares allotted | 17,43,19,680 |
| Outstanding fully paid-up Equity Shares prior to the Rights Issue | 4,58,73,600 Equity shares of Re. 1/- each. |
| Outstanding fully paid-up Equity Shares post Right Issue | 22,01,93,280 Equity shares of Re. 1/- each. |

CHANGE IN CONTROL AND MANAGEMENT PURSUANT TO SHARE PURCHASE AGREEMENT AND OPEN OFFER

Post closure of the financial year, the Company's erstwhile promoters Mr. Virender Kumar Agarwal and Mr. Shakul Kumar Agarwal has entered into share purchase agreement ("Agreement") on May 18, 2022 with Mr. Vikas Garg and Ms. Seema Garg (Collectively known as "Acquires") for to sell/ transfer their entire stake in the Company 1,73,84,000 fully paid-up Equity Shares of face value Re. 1/- each representing 7.89% of the paid-up Equity Share Capital of the Company

Consequently, an Open Offer in terms of Regulation 3(1) and Regulation 4 of SEBI (SAST) Regulations, 2011 was made by Mr. Vikas Garg and Ms. Seema Garg (collectively known as "Acquires") along with Ms. Sukriti Garg ("PAC") to acquire upto 26% of the total Voting Shares of the Company from public shareholders in terms of Letter of Offer dated June 1, 2022 subject to receipt of requisite approval of the Reserve Bank of India and has submitted an application to RBI for the change in control and management of the company for their approval.

SIGNIFICANT AND MATERIAL ORDERS

There are no significant or material orders passed by the regulators, courts or tribunals having an impact on the future operations of the Company or its going concern status.

Though a necessary application has been made to seek RBI approval for the change in control and management of the company pursuant to the Share Purchase Agreement dated May 18, 2022, final order awaited.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company, being an NBFC registered with the RBI and engaged in the business of giving loans in ordinary course of its business, is exempt from complying with the provisions of section 186 of the Act with respect to loans and guarantees. Accordingly, the disclosures of the loans given as required under the aforesaid section have not been made in this Report. However, the particulars of loans and investments are provided in the notes to Financial Statements.

Your Company has neither given the guarantee nor has provided any security during the year under review except the corporate guarantee and collateral security of Rs. 142.84 Lakhs in favour of its Subsidiary Company Advik Optoelectronics Limited for availing the bank's credit facility.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188

All Related party transactions are entered on an arm's length basis and are in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large. Company's policy on related party transactions can be accessed at its website www.advikgroup.com.

During the year under review, your Company did not have any Related Party transaction which required prior approval of the Members. Details of transactions with related parties during FY2022 are provided in the notes to the financial Statements. There were no transaction requiring disclosure under section 134(3)(h) of the Act. Hence, the prescribed Form AOC-2 does not form a part of this report

PARTICULARS REGARDING CONSERVATION OF ENERGY ETC. UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 AND RULES MADE THEREIN

The particulars as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the company during the year under review. Further during the year under review, the Company has neither earned nor used any foreign exchange.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has also adopted a Prevention of Sexual Harassment Policy and uploaded on the website of the Company at www.advikgroup.com. During the year under review, no complaint was received in this regard.

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

During the year under review, there were no applications made or proceedings pending in the name of the Company under Insolvency and Bankruptcy Code, 2016.

THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS

Company is engaged in the business of non-banking finance company and haven't availed any loan, hence, this clause is not applicable.

WHISTLE BLOWER POLICY/VIGIL MECHANISM

In terms of provisions of section 177 of the Companies Act, 2013 and rules framed thereunder read with Regulation 22 of the Listing Regulations, your Company has a vigil mechanism in place for the Directors and Employees of the Company through which genuine concerns regarding various issues relating to inappropriate functioning of the organization can be communicated.

For this reason, your Board has formulated a Whistle Blower Policy and uploaded on the website of the Company at www.advikgroup.com. During the year under review, there has been no incidence reported which requires action by the Board or Committee.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3) (C) read with Section 134(5) of the Act, the Directors, to the best of their knowledge and ability, hereby confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards had been followed with proper explanation relating to material departures;
- ii. they have selected such accounting policies in consultation with Statutory Auditors and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the Financial Year March 31, 2022 and of the profit and loss of the company for the Financial Year;
- iii. they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- iv. The annual accounts of the Company have been prepared on a going concern basis.
- v. The directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- vi. They had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

APPRECIATION AND ACKNOWLEDGEMENT

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The Board places on record its appreciation for the support and co-operation, your company has been receiving from its customers, stakeholders and others associated with the Company. The Directors also take this opportunity to thank all Clients, Banks, Government and Regulatory Authorities for their continued support. Last but not the least, the Directors wish to thank all shareholders for their continued support.

**For and on behalf of the Board of Directors of
Advik Capital Limited**

Date: August 25, 2022
Place: Delhi

Virender Kumar Agarwal
Managing Director
DIN: 00531255

Shakul Kumar Agarwal
Whole-Time Director
DIN: 03590891

FORM NO. AOC -1

**Statement containing salient features of the financial statement of
 Subsidiaries/associate companies/joint ventures
 (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of
 Companies (Accounts) Rules, 2014)**

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs)

| | | |
|----|---|---------------------------------|
| 1. | Sl. No. | 1 |
| 2 | Name of the subsidiary | Advik optoelectronics Limited |
| | The date since when subsidiary was acquired: | 08/08/2013 |
| 3 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | April 1, 2021 to March 31, 2022 |
| 4 | Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries | Not Applicable |
| 5 | Share capital | Rs. 150,00,000 |
| 6 | Reserves & surplus | Rs. 1,30,45,606 |
| 7 | Total assets | Rs. 5,67,17,059 |
| 8 | Total Liabilities | Rs. 2,86,71,453 |
| 9 | Investments | Nil |
| 10 | Turnover | Rs. 6,96,38,279 |
| 11 | Profit before taxation | Rs. 9,31,360 |
| 12 | Provision for taxation | Rs. 3,06,762 |
| 13 | Profit after taxation | Rs. 6,24,598 |
| 14 | Proposed Dividend | Nil |
| 15 | % of shareholding | 57.99% |

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations: Nil
- Names of subsidiaries which have been liquidated or sold during the year: Nil

For Advik Capital Limited

Virender Kumar Agarwal

Managing Director

DIN: 00531255

Date: August 25, 2022

Place: Delhi

DISCLOSURE OF MANAGERIAL REMUNERATION U/S 197 OF COMPANIES ACT, 2013

Details pertaining to remuneration as required u/s 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and remuneration of Managerial personnel) Rules, 2014

1. **The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year, the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:-**

| Name | Designation | Ratio of Remuneration of each Director and KMP to the median remuneration of employees | Percentage Increase in Remuneration* |
|--|-------------------------|--|--------------------------------------|
| Mr. Virender Kumar Agarwal | Managing Director | 4.55:1 | |
| Ms. Shakul Kumar Agarwal | Executive Director | 0.57:1 | |
| Mr. Rishab Kumar Agarwal | Chief Financial Officer | 2.27:1 | |
| Ms. Poonam Mehta Kalra (resigned on Dec 28, 2022) | Company Secretary | 0.42:1 | |
| Ms. Rashika Gupta (appointed on Dec 28, 2022) | Company Secretary | 0.49:1 | |

No other directors were paid remuneration during the Financial Year 2021-22

2. **The percentage increase in the median remuneration of employees in the financial year.**

There was no increase in the remuneration of employees during the year 2021-22 hence disclosure under this head is not applicable.

3. **The number of permanent employees on the rolls of the Company.**

The number of permanent employees on the rolls of the Company as on March 31, 2022 is 6 (Five).

4. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.**

Details are not applicable as appointment of Managerial Personnel was effected during the year 2021-22 only, accordingly, there is no reportable increase in remuneration of managerial personnel

It is hereby affirmed that the remuneration paid during the year is as per the Nomination and Remuneration Policy of the Company.

For Advik Capital Limited

Date: August 25, 2022

Place: Delhi

Virender Kumar Agarwal

Managing Director

DIN: 00531255

Shakul Kumar Agarwal

Whole-Time Director

DIN: 03590891

MANAGEMENT DISCUSSION AND ANALYSIS

ADVIK CAPITAL AT GLANCE

Advik Capital Limited, headquartered at New Delhi is one of the emerging non-deposit taking Non-Banking Finance Company (NBFC) registered with the Reserve Bank of India bearing Registration No. B-14.00724. In addition to this the Company is a listed entity and its equity shares are frequently being traded at the Bombay Stock Exchange Limited (BSE) with Scrip Code : 539773.

In our thirty-six years of journey, we have transformed our operations by building a diversified product portfolio, establishing a strong geographic presence, and serving a large customer base. The Company is carrying on the business of investing funds, assisting the financial accommodation by way of loans/advances to the industrial concerns and undertaking the business of leasing and to finance lease operations of all kinds, purchasing, selling, hiring or letting on hire or all kinds of plants and machinery, bridge loan to corporates, investment in emerging businesses, their securities, interests and other rights. Very recently the Company is exploring and evaluating various other business avenues in personal and consumer finance space.

Advik Capital Limited ("the Company") is a non-deposit taking Non-Banking Financial Company registered with the RBI and is classified as an NBFC-Non Deposit Non Systematically Important company (NBFC-ND-NSI). Our Company is engaged primarily in the business of providing financial loans and in providing ancillary services.

In year 2013, the Company had formed a wholly owned subsidiary in the name of Advik Optoelectronics Limited to further diversify activities of trading and manufacturing of electronic products which is an unlisted public company

Advik Optoelectronics Limited is engaged in the business of manufacturing of various kinds of emergency life safety signage, evacuation system made of phosphorescent effect, photo luminescent, glow sign board, led board, led electronic board, life safety apparels, road safety signage, lights, emergency lights and equipment.

To further strengthen its positioning in industry matrix and to re-align company's business interests, very recently, the management of the Company decided to incorporate an another wholly owned subsidiary company using initials of the Company ADVIKCA with such name as may be approved by the Central Registration Centre and/or Ministry of Corporate Affairs to undertake the business of dealing in shares, securities, rights, interests, obligations in movable and immovable assets of all kinds, with infinite technology, advanced techniques whether in India or elsewhere either singly or jointly with any others, along with other similar objects.

THE COVID-19 PANDEMIC

The beginning of financial year 2021-22 (FY2022) was once again dominated by the COVID-19 pandemic as new waves of infection swept across the world. In India, the second wave (called 'Delta') proved far more lethal than the first that struck in 2020. After a shaky start in some places, the vaccine immunisation programme by the Indian Government and Governments across the world has been exemplary. It saved lives and livelihood.

The highly transmissible variant 'Omicron' in early January 2022 (the third wave) spread rapidly across the world. During this wave, India's daily number of reported cases peaked to nearly 350,000 on 20 January 2022. Faced with the prospect of yet more lockdowns, there was fear that the world would face yet another year of slow economic growth. Fortunately, while highly transmissible, Omicron was not as lethal as Delta. So, while many got infected, fatality rate was fortunately low.

The world did not see a re-run of massive drop in GDP as witnessed in financial year 2020-21 (FY2021). Thanks to a huge vaccination drive and the preparedness to deal with COVID-19 as a way of life people, firms and both the Central and State Governments sensibly dealt with the virus. Consequently, the strong link between COVID-19 waves and fall in GDP growth seem to have considerably reduced. As long as the new variants are like Omicron, we should have less to worry about mass hospitalisations, high mortality, multiple lockdowns and lower growth.

This pandemic has inflicted enormous pain and suffering to individuals and corporates alike across the world. However, it gave the world an opportunity to reinvent itself to adapt to new ways of life and business. COVID-19 was a real test of resilience and agility for every business. Corporations that have successfully adapted the challenges thrown by COVID-19 have become more resilient and prepared to weather future disruptions. It was not just the corporate sector that has been forced to rapidly adapt. Public services organisations, regulators, governments, and local administrations have demonstrated their potential to adapt and overcome.

GLOBAL ECONOMY AT LARGE

Economic prospects have diverged further across countries since the April 2021 World Economic Outlook ("WEO") forecast. Vaccine access has emerged as the principal fault line along which the global recovery splits into two blocs: those that can look forward to further normalization of activity later this year (almost all advanced economies) and those that will still face resurgent infections and rising COVID death tolls. The recovery, however, is not assured even in countries where infections are currently very low so long as the virus circulates elsewhere.

The global economy is projected to grow 6.0 percent in 2021 and 4.9 percent in 2022. The 2021 global forecast is unchanged from the April 2021 WEO, but with offsetting revisions. Prospects for emerging market and developing economies have been marked down for 2021, especially for Emerging Asia. By contrast, the forecast for advanced economies is revised up. These revisions reflect pandemic developments and changes in policy support. The 0.5 percentage-point upgrade for 2022 derives largely from the forecast upgrade for advanced economies, particularly the United States, reflecting the anticipated legislation of additional fiscal support in the second half of 2021 and improved health metrics more broadly across the group.

Recent price pressures for the most part reflect unusual pandemic-related developments and transitory supply-demand mismatches. Inflation is expected to return to its pre-pandemic ranges in most countries in 2022 once these disturbances work

their way through prices, though uncertainty remains high. Elevated inflation is also expected in some emerging market and developing economies, related in part to high food prices. Central banks should generally look through transitory inflation pressures and avoid tightening until there is more clarity on underlying price dynamics. Clear communication from central banks on the outlook for monetary policy will be key to shaping inflation expectations and safeguarding against premature tightening of financial conditions. There is, however, a risk that transitory pressures could become more persistent and central banks may need to take pre-emptive action.

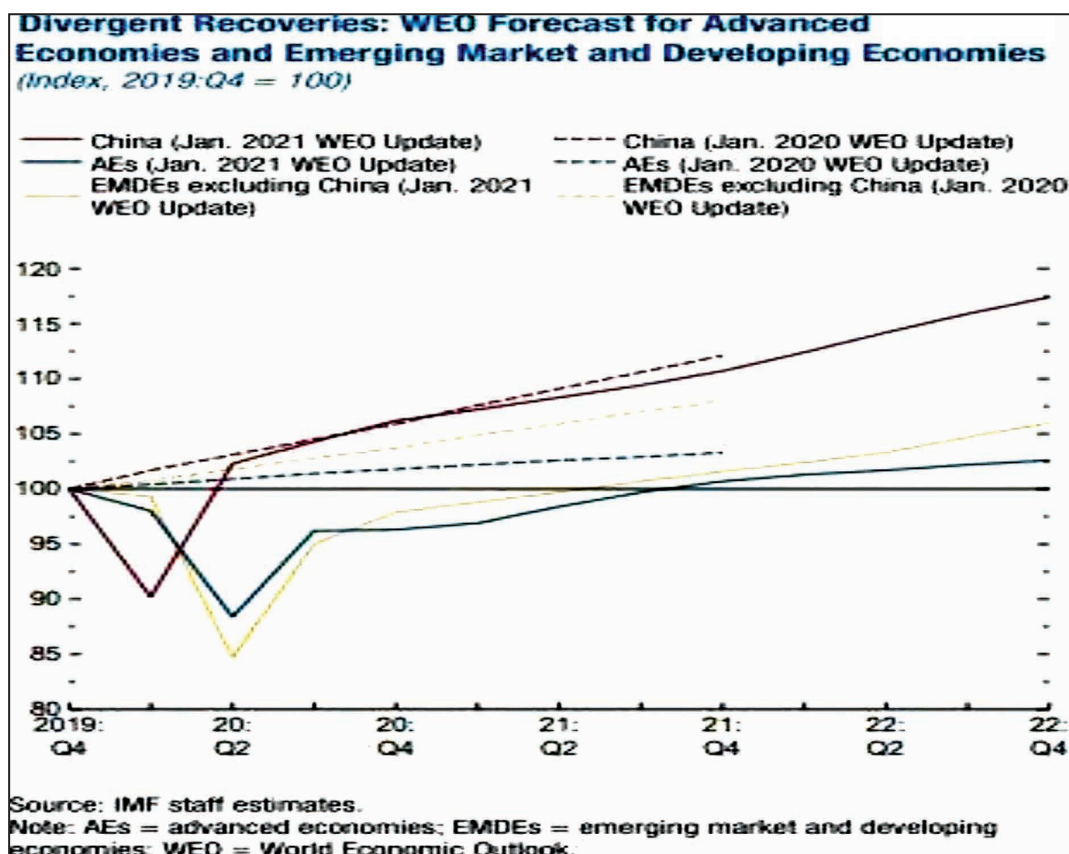
Financially constrained economies also need unimpeded access to international liquidity. The proposed \$650 billion General Allocation of Special Drawing Rights at the IMF is set to boost reserve assets of all economies and help ease liquidity constraints. Countries also need to redouble collective efforts to reduce greenhouse gas emissions. These multilateral actions can be reinforced by national-level policies tailored to the stage of the crisis that help catalyze a sustainable, inclusive recovery.

Concerted, well-directed policies can make the difference between a future of durable recoveries for all economies or one with widening fault lines as many struggle with the health crisis while a handful see conditions normalize, albeit with the constant threat of renewed flare-ups. Amid exceptional uncertainty, the global economy is projected to grow 5.5 percent in 2021 and 4.2 percent in 2022. Strong multilateral cooperation is required to bring the pandemic under control everywhere. Such efforts include bolstering funding for the COVAX facility to accelerate access to vaccines for all countries, ensuring universal distribution of vaccines, and facilitating access to therapeutics at affordable prices for all. Many countries, particularly low-income developing economies, entered the crisis with high debt that is set to rise further during the pandemic.

Despite the high and rising human toll of the pandemic, economic activity appears to be adapting to subdued contact-intensive activity with the passage of time. Finally, additional policy measures announced at the end of 2020 notably in the United States and Japan are expected to provide further support in 2021-22 to the global economy. These developments indicate a stronger starting point for the 2021-22 global outlook than envisaged in the previous forecast. Lingering concerns.

However, surging infections in late 2020 (including from new variants of the virus), renewed lockdowns, logistical problems with vaccine distribution, and uncertainty about take-up are important counterpoints to the favorable news.

The strength of the recovery is projected to vary significantly across countries, depending on access to medical interventions, effectiveness of policy support, exposure to cross-country spillover, and structural characteristic centering the crisis (Figure 1).



Global Growth

After an estimated 3.5 percent contraction in 2020, the global economy is projected to grow 5.5 percent in 2021 and 4.2 percent in 2022. The estimate for 2020 is 0.9 percentage point higher than projected in the October WEO forecast. This reflects the stronger than-expected recovery on average across regions in the second half of the year. The 2021 growth forecast is revised up 0.3 percentage point, reflecting additional policy support in a few large economies and expectations of a vaccine-powered strengthening of activity later in the year, which outweigh the drag on near-term momentum due to rising infections. The upgrade is particularly large for the advanced economy group, reflecting additional fiscal support mostly in the United States and Japan

together with expectations of earlier widespread vaccine availability compared to the emerging market and developing economy group. Global trade. Consistent with recovery in global activity, global trade volumes are forecast to grow about 8 percent in 2021, before moderating to 6 percent in 2022. Services trade is expected to recover more slowly than merchandise volumes, however, which is consistent with subdued cross-border tourism and business travel until transmission declines everywhere.

Global activity will remain well below the pre-COVID, January 2020 WEO projections through the forecast horizon. The strength of the projected recovery varies across countries, depending on the severity of the health crisis, the extent of domestic disruptions to activity (related to the structure of the economy and its reliance on contact-intensive sectors), the exposure to cross-border spill overs, and importantly the effectiveness of policy support to limit persistent damage. Advanced economies, in general, have been able to provide expansive fiscal support to households and firms (direct tax and spending measures as well as equity injections, loans, and guarantees), and central banks have reinforced this with expanded asset purchase programs, funding-for-lending facilities, and, for some, interest rate cuts. Reflecting the strong policy support and the anticipated widespread availability of vaccines in summer 2021, the projected output loss compared with the pre-COVID forecast is relatively smaller for advanced economies than other countries.

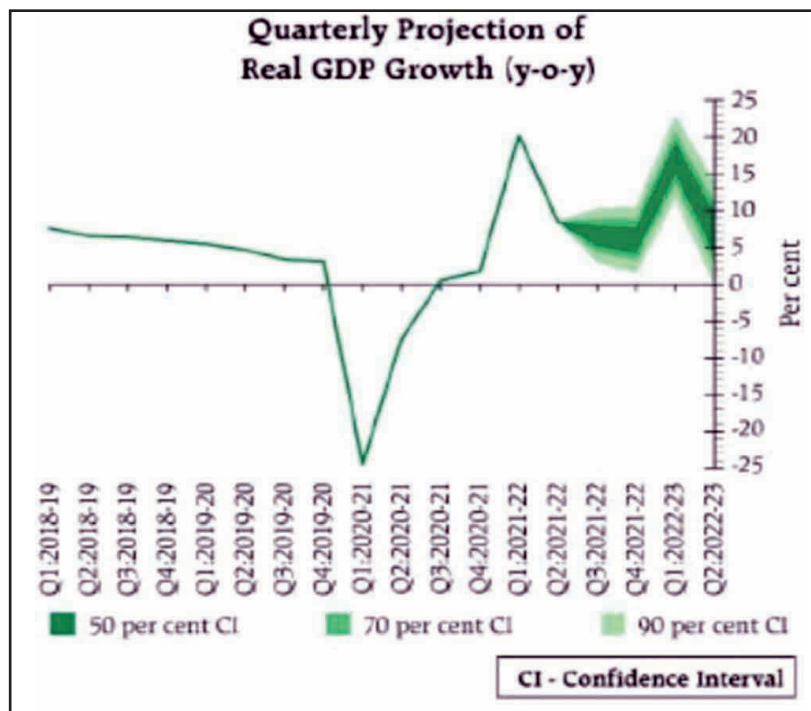
OVERVIEW OF THE INDIAN ECONOMY

The agglutination of supply disruptions, the health crisis, an unparalleled mass migration and a hostile global environment took a heavy toll on the Indian economy. A cyclical slowdown had preceded the pandemic, causing real gross domestic product (“GDP”) growth to register a sequential deceleration since 2017-18, which slumped into contraction under the onslaught of COVID-19. The combination of demand compression and supply disruption that took hold in its wake caused severe debilitating effects on the economy in Q1:2020-21.

Sensing the recovery gaining traction, equity markets became ebullient, with the BSE Sensex staging a V-shaped recovery and rising over 91 per cent by end-March 2021 from the lows of March 2020, buoyed by strong corporate performance in Q2 and Q3 of 2020-21, the roll-out of a massive vaccine programme, fiscal and monetary stimulus in place and surges of capital inflows. The prospects for the Indian economy though impacted by the second wave, remain resilient backed by the prospects of another bumper rabi crop, the gathering momentum of activity in several sectors of the economy till March, especially housing, road construction and services activity in construction, freight transportation and information technology (IT). Meanwhile, the activation of the production linked incentive (“PLI”) scheme, spectrum auctions and considerable easing of financial conditions are helping to shape the turnaround. On the other hand, large and medium-scale industry, mining and quarrying and several contact-intensive sectors remain subdued.

The second advance estimate (“SAE”) that were released by the National Statistical Office (“NSO”) in February 2021 revealed that aggregate demand, measured by real GDP, contracted by 8.0 per cent in 2020-21. This is the first contraction experienced since 1980-81 and the severest ever. In fact, the contraction was of the order of 15.9 per cent in the first half of 2020-21 under the full brunt of the lockdown imposed to curb the transmission of COVID-19.

(Source: RBI)



Economic activities gained momentum in the first quarter of year 2021 got subsequently dented by the onset of the second wave of the pandemic. The recovery in domestic economic activity is turning increasingly broad-based, with the expanding vaccination coverage, slump in fresh COVID-19 cases and rapid normalisation of mobility. Rural demand is expected to remain resilient. The spurt in contact-intensive activities and pent-up demand will continue to bolster urban demand. The government’s infrastructure

push, the widening of the performance-linked incentive scheme, structural reforms, recovering capacity utilisation and benign liquidity and financial conditions provide conducive conditions for private investment demand. The Reserve Bank's surveys point to improving business outlook and consumer confidence. On the other hand, volatile commodity prices, persisting global supply disruptions, new mutations of the virus and financial market volatility pose downside risks to the outlook.

Taking all these factors into consideration and assuming no resurgence in COVID-19 infections in India, the projection for real GDP growth is retained at 9.5 per cent in 2021-22 consisting of 6.6 per cent in Q3; and 6.0 per cent in Q4:2021- 22. Real GDP growth is projected at 17.2 per cent for Q1:2022-23 and at 7.8 per cent for Q2.

(Source: RBI)

INDIA'S FINANCIAL SERVICES SECTOR

Wide-ranging financial sector reforms in India were introduced as an integral part of the economic reforms initiated in the early 1990s. Financial sector reforms in India were grounded in the belief that competitive efficiency in the real sectors of the economy will not be realized to its full potential unless the financial sector was reformed as well.

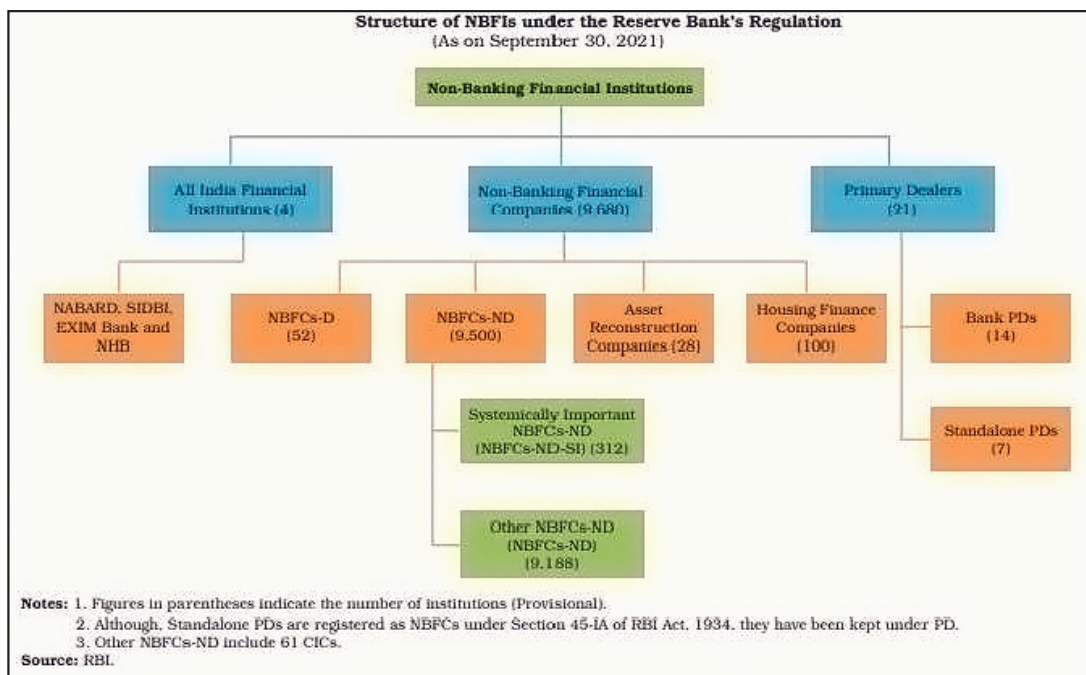
Non-banking financial sector grew rapidly, but there was no regulation of their asset side. Financial markets were characterized by control over pricing of financial assets, barriers to entry, high transaction costs and restrictions on movement of funds/participants between the market segments. Apart from inhibiting the development of the markets, this also affected their efficiency.

Reforms in financial markets focused on removal of structural bottlenecks, introduction of new players/instruments, free pricing of financial assets, relaxation of quantitative restrictions, improvement in trading, clearing and settlement practices, more transparency, etc. Reforms encompassed regulatory and legal changes, building of institutional infrastructure, refinement of market microstructure and technological upgradation. In the various financial market segments, reforms aimed at creating liquidity and depth and an efficient price discovery process.

Overview of the Non-Banking Financial Institutions

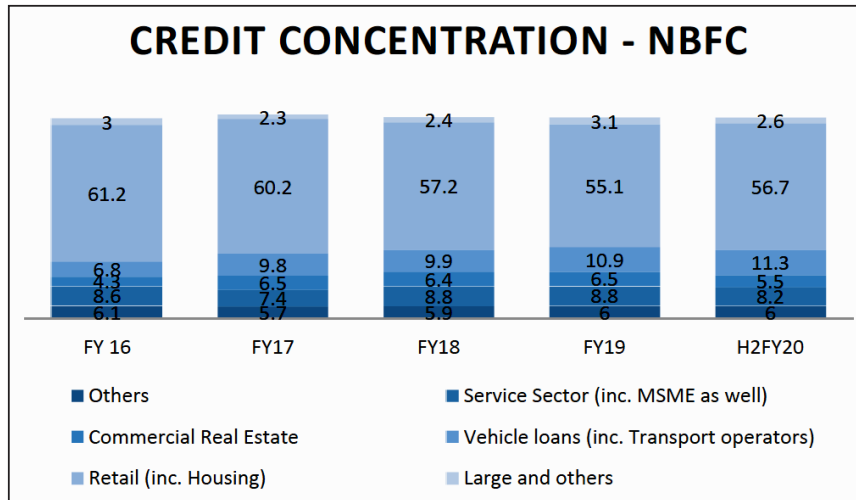
Non-Banking Lenders have witnessed exponential growth in the last decade driven largely by regulatory reforms and their ability to cater to unbanked areas through innovative products and service delivery mechanisms. This was further supported by their effective collection platforms. Today, non-bank lenders constitute about 25% (over INR 35.9 lakh crore as on Sept-2019) of the systemic credit outstanding and have financed over 10 crore customers drawing strength from their extensive footprint largely in rural and semi-urban areas (70% of total branches).

Non-bank lenders form an integral part of the Indian financial ecosystem. They provide underbanked/unbanked individuals and MSMEs an opportunity to be a part of the financial mainstream. They have been successful in bridging the credit gap for the entire spectrum of customers ranging from high ticket structured loans to corporates/HNIs to microfinance customers, due to their higher risk underwriting capacity, superior credit assessment skills and deep understanding of customers. They have emerged as a vehicle for financing business activities that Banks neglected due to regulatory restrictions such as credit exposure constraints and sector concentration norms.



Non-bank lenders collaborate with banks through various modes like securitization, on-lending, and business correspondents to complement credit dissemination by underwriting small ticket loans to the agriculture sector and MSMEs. Over the years, non-bank lenders have also acquired a skill-based arbitrage over banks due to continuous innovation in their business model and processes that rely on surrogate non-financial information, use of third-party sales channels and collection processes.

Furthermore, non-bank lenders have gained market share from banks in key segments such as retail consumer loans, lending to micro small enterprises, vehicle loans and housing loans. They have been able to capture share by catering to underserved and unbanked customer segments.



(Source: FICCI)

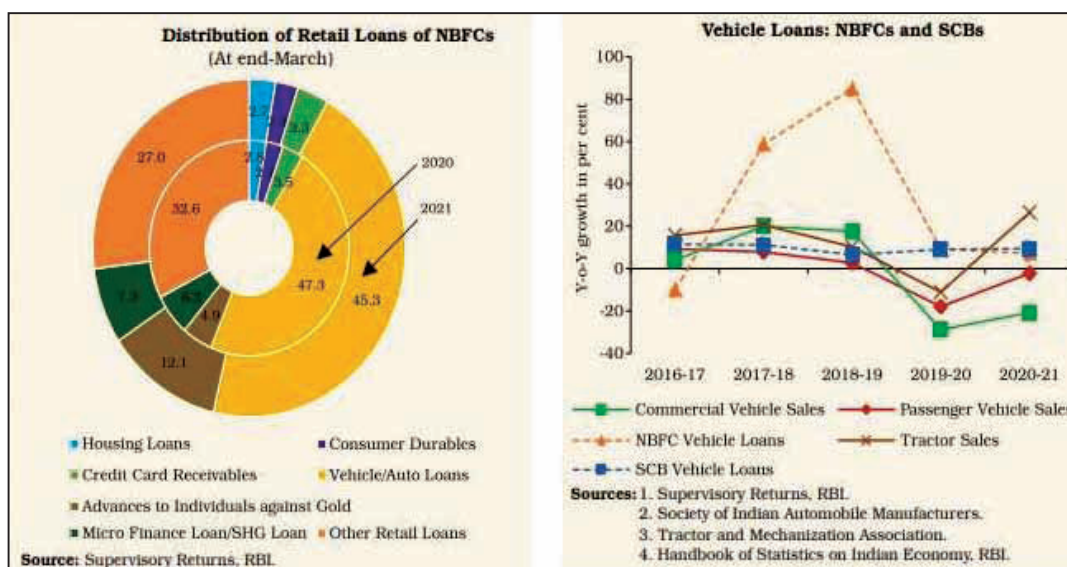
However, over the past two years, the non-banking finance sector came under stress due to multiple adverse events which impacted growth and profitability. COVID-19 has further amplified the stress in the system. Loan volumes for most of the non-bank lenders have come down considerably, particularly for lenders who are directly competing with banks and have limited pricing power.

Non-bank lenders continue to perform better than banks in terms of balance sheet growth and overall profitability. On relative terms, non-bank lenders can garner higher yields on their underlying assets than banks given their higher exposure to informal segments. Further, despite higher cost of funds, their net interest margins are higher translating into better risk-adjusted return (even after they operate at lower leverage vis-a-vis banks).

Non-bank lenders play an important role in the economy by financing micro and small-scale industries (informal sector) and provide employment and entrepreneurial opportunities at a ground level. Banks prefer lending to entities with stronger balance sheets or to lower risk segments such as the salaried class of people. Non-bank lenders support financially weaker sections of society by channelizing financial resources to capital formation. A large share of their assets (45%) is deployed into retail, MSME and vehicle finance segments.

Vehicle loans credit, the largest segment in retail loans, witnessed reduction in share during 2020-21 owing to disruption of activity while the share of lending against gold doubled.

Vehicle financing is a niche area for NBFCs in which they still account for a predominant share. Component-wise, sales growth of commercial vehicles continued to be in the negative zone in 2020-21 while passenger vehicle sales picked up marginally aided by the opening up of the economy and a growing preference for personal vehicles. Tractor sales grew at a robust pace in 2020-21 as agriculture and rural areas were relatively insulated from the first wave and normal monsoon whetted activity. Consequently, NBFCs rebalanced their credit portfolios in favour of this section.



Impact of Covid-19 on Non-Banking Financial Sector

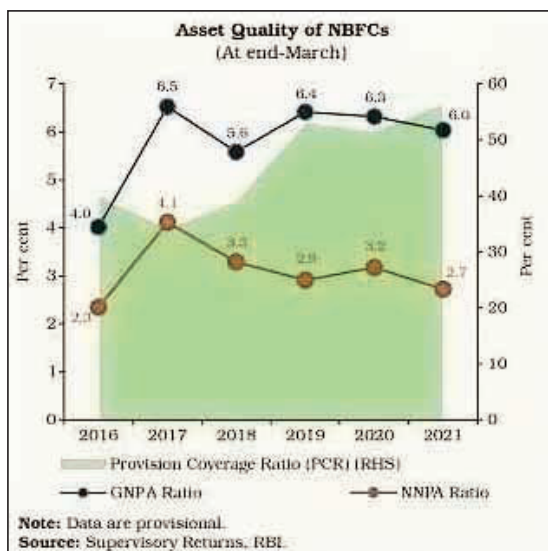
COVID-19 pandemic led to a slowdown in the economic activity across the globe. To curb the increasing infection, several countries-imposed lockdowns to a varying degree. Due to these lockdowns and the subsequent restriction in mobility, business across the world got impacted. One of the worst hit sectors the NBFC lending business.

The COVID-19 pandemic has deeply impacted the NBFC sector. In Q1:2020- 21, they faced severe disruptions during and in the wake of the nation-wide lockdown, leading to a standstill of economic activity and a contraction of GDP by 24.4 per cent. As the impact on the real sector spilled over to financial markets, NBFCs witnessed a sharp drop in collections and disbursements and a substantial increase in the cost of their borrowings even as access to market funding became restricted. The provision of moratorium also had an impact on their cash inflows, resulting in reduction in collections. Timely measures on monetary, fiscal, and regulatory fronts by the Reserve Bank and the government aided their revival, eased financial conditions and bolstered market sentiments. From Q2:2020-21 onwards, the situation improved, aided by policy support. Many NBFCs also recalibrated their business strategies, leveraging on digital technology with a strong emphasis on data analytics. The NBFC sector faced headwinds again when the second wave hit the country by March 2021. With the passing of the second wave, the outlook is brightening again; however, downside risks remain significant.

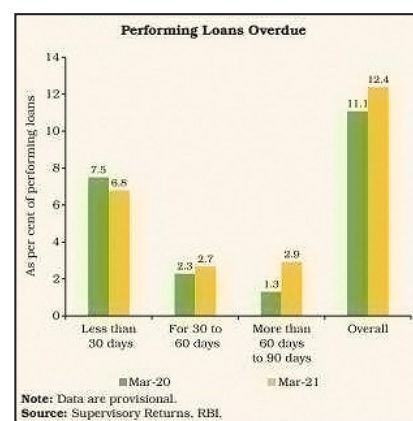
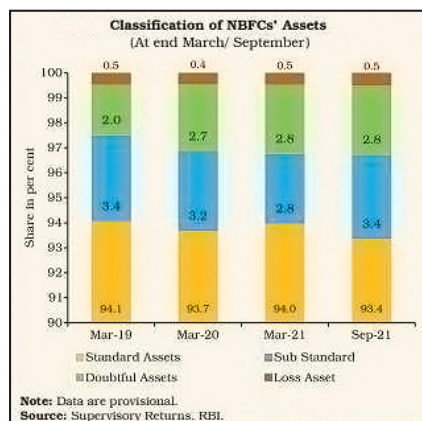
NBFCs have a competitive edge in their superior understanding of regional dynamics, well-developed collection systems and personalised services in the drive to expand financial inclusion in India. Lower transaction costs, quick decision making, customer orientation and prompt provision of services have typically differentiated NBFCs from banks. The reach and last mile advantages of NBFCs have empowered them with agility, innovation and a cutting edge in providing formal financial services to underbanked and unserved sections of the society.

(Source: RBI)

Asset Quality of NBFC Sector

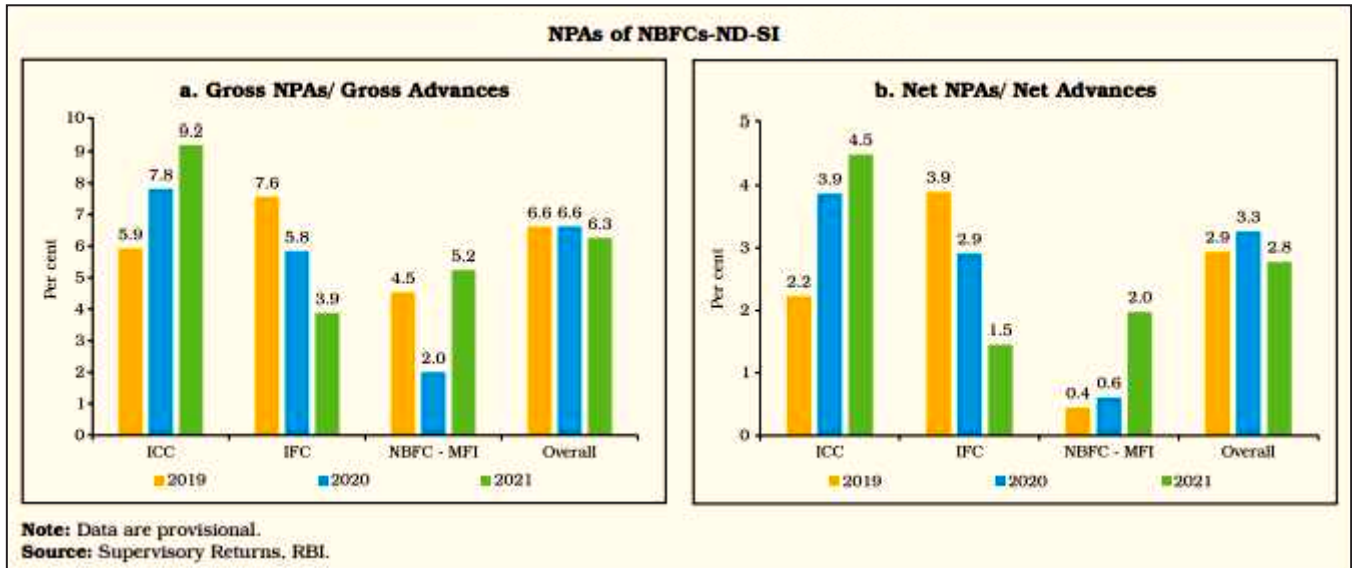


In 2020-21, NBFCs registered an improvement in asset quality as the asset classification standstill in view of the pandemic was in force. Resolution of a few accounts in the infrastructure space during the year also helped. Both GNPA and NNPA ratios declined post March 2020. The higher provision coverage ratio ("PCR") during the period is reflective of adequate buffers to deal with likely headwinds (Chart VI.31). In 2021-22 (up to September), asset quality of the sector deteriorated to some extent. GNPA ratio increased from 6.0 per cent to 6.8 per cent and NNPA ratio increased from 2.7 per cent to 3.0 per cent.



Based on the duration for which an asset remains non-performing, NPAs can be categorised into sub-standard, doubtful and loss assets. In 2020-21, a part of the sub-standard assets of a large NBFC returned to being standard, which led to a marginal improvement in asset quality (Chart VI.33).

Among performing loans of NBFCs, 87.6 per cent of loans were standard and rest were overdue but not NPAs in March 2021. Loans overdue in the first bucket viz., less than 30 days were the largest, but the position improved in 2021. The share of loans overdue for more than 60 days but less than 90 days doubled.

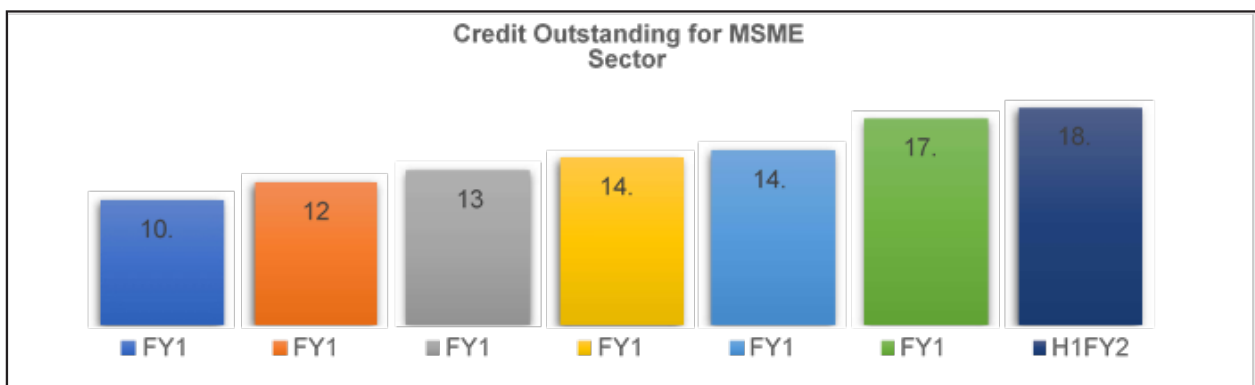


Support to Micro, Small and Medium Enterprises (MSMEs) by NBFCs

The MSME sector forms the backbone of the Indian Economy. It is a critical for the economic and social development of the country as it not only fosters entrepreneurship but also generates mass employment. MSMEs are complementary to large industries as ancillary units and this sector contributes significantly to the inclusive industrial development of the country.

India has 6.3 crore MSMEs operating in the country which contribute to 28.9% of the GDP while employing 11 crore people. With over 3 crore MSMEs (51% of total MSMEs) based in the rural areas, they form an important part of the rural ecosystem.

Given their overall economic importance, easy access to credit for the sector is vital to ensure its growth. Exposure of banks and non-bank lenders to the sector increased by 75% since Financial Year 2014 to reach INR 18.3 lakh crore as in Financial Year 2020. Despite a jump, formal credit access through banks and non-bank lenders contribute to 49% of the overall credit requirement of MSMEs as shown below:



(Source: FICCI)

Gold Loan

Gold has occupied a special place in the socio-economic milieu of India. It is considered to be an important asset, a hedge against inflation and an immediate source of cash especially for the rural households in India. Gold is used as collateral to earn money for short term needs. Due to an emotional attachment to the gold that households have, most of households do not sell gold ornaments; instead they pawn it for immediate use. As it a liquid asset, Indian households prefer to possess it so that it can be useful during times of crisis.

In India, gold is considered to be a sign of social status, financial security and cultural legacy. As of 2019, households in India assembled about 25,000 tons of gold, making the country the largest holder of the yellow metal in the world. Rural communities account for ~65% of the total gold demand in the country.

Owing to the sentimental value that Indians associate with this indispensable item, people seldom sell it to meet financial emergencies. They prefer to pledge gold as collateral to secure short-term loans. Gold loans enjoy a relatively low-interest rate that varies between 9.5% and 24% and have a flexible tenure (ranging from a few days to 5 years). The organized gold loan market comprises of banks (private, public, small finance and co-operative), NBFC and Nidhi companies which contribute nearly 35% of the gold loan market in India

The gold loan market in India was valued at ~INR 2,921.42 Bn in 2019 and is expected to reach ~INR 6,275.40 Bn by 2025, expanding at a compound annual growth rate (“CAGR”) of ~12.75% during the 2020-2025 period.

Vehicle Loan

As in many other markets, a majority of vehicles – two-wheelers, passenger cars and commercial vehicles – that are sold in India are bought by consumers with automobile loans. About 75 per cent of cars in India are bought through loans, whereas the figure for commercial vehicles is as high as 90 per cent. As an indication of improving sentiments, more people in the country are now borrowing to purchase new vehicles. With the pickup in economic activities and rising demand and rates for goods transport, fresh auto loan disbursements by NBFCs have almost touched the pre-COVID levels in the first half of FY22.

Data provided by the Finance Industry Development Council (“FIDC”), shows that in H1 FY22, loans worth INR 63,669.84 crore were disbursed to the auto sector compared to INR 43,564.77 crore in the same period a year ago, up 46.15%. A sequential reduction in gross NPA was also seen quarter-on-quarter.

Small Business Loan

The importance of the MSME sector in India cannot be emphasized enough. Providing employment to about 120 million people, contributing about 30% of our gross domestic product (through manufacturing and service activities) and 45% of overall exports, MSMEs are crucial for promoting inclusive growth and encouraging innovation. In this context, nano-enterprises hold a special place. These are snacks counters, catering services, beauty salons, fashion boutiques, kirana stores and the like.

Micro, Small and Medium Enterprises (MSMEs) have been one of the strongest drivers of growth, entrepreneurship and employment in the Indian economic growth story. The sector accounts for 30% of the GDP, 48% of the total exports and 95% of the industrial units in the country. In terms of employment, it employs 40% of India’s workforce.

The overall debt supply to the sector are met through informal and formal source. Debt supply from NBFCs to the MSME sector have increased considerably. NBFCs have been increasingly turning to MSMEs as an avenue for growth based on the higher margins of the sector and inadequate bank service penetration to the sector. Banks usually have a spread of 4 percent 5 percent, but NBFCs can charge higher interest on loans and can thus have spreads as high as 8 percent MSMEs are willing to pay higher rates to NBFCs because they are able to disburse loans faster and more efficiently and have tailored their marketing campaigns to the sector more closely than banks.

(Source: IFC)

Personal Loan

According to CRIF High Mark, NBFCs continue to grow in the personal loan (PL) segment in volume terms, doubling their market share. NBFCs, including FinTechs, are doing more and more small-ticket personal loans business, offering a variety of personal loans to customer segments who may not qualify for personal loans via traditional lenders as well as tailored offerings to the changing preferences of customers. Reflecting rising festival-like demand, the sanctions by non-banking finance companies rose 17 per cent in the second quarter (Q2FY22) on a year-on-year basis. The personal loan segment saw strong traction of 90 per cent, followed by consumer loan at 58 per cent, according to CRIF-FIDC. The sanctions in absolute terms stood at Rs 2.17 trillion in July-September 2021, higher than Rs 1.85 trillion in Q2FY2 and Rs 1.52 trillion in April-June 2021 period. Yet, the scale was below pre-pandemic period (July-September 2019- Q2FY20) when sanctions were about Rs 2.4 trillion.

Consumer Durable Loan

India consumer durable finance market grew at a significant pace in the past few years and is expected to register strong growth in the coming years as well. The market is projected to grow from USD1110.63 million in FY2021 to USD2704.18 million in FY2027 accelerating with a CAGR of 21.63% by FY2027. People are willing to buy consumer durable products that make the day-to-day life easier, which is further boosting this market. Furthermore, the rising urban class population base, strong brand awareness and increasing disposable income are augmenting the demand for consumer durable finance across the country.

The trends and challenges analysed here are cause for both hope and concern. Management of Advik Capital is firm believer that disruption is creating more opportunities than the challenges. While the risk and regulatory protection agenda remains a major focus, your company must address financial performance and heightened customer and investor expectations, via reshaping and optimizing company’s operational and business models in order to deliver sustainable returns. Innovative thinking, pro-active approach towards the opportunities available, and as such business-led transformation will be critical for future growth. We are committed ourselves to build a strategically better ecosystem to be remain competitive and relevant.

Advik Capital Lending Policy

The standard process adopted by the company from sourcing to collection is summarised as under:

1. Credit Appraisal Process – The credit appraisals are based on;
 - Need for credit: the borrower’s need for credit will be assessed, as per the context of the product segment. The intent is to ensure that the credit is targeted for use in a constructive way, to improvements to the borrower’s earning or to improve the quality of life.

- **Affordability:** an assessment of the borrower's ability to service the loan will be conducted in all cases. While the assessment methodology may vary across product, the intent is always to set product features such as the disbursal amount and tenure such that the loan is affordable (within the context of the product).
 - **Credit rating:** the borrower's credit history, and track record in managing debt, will be considered in all applications.
2. **Credit Pricing** - Credit will be priced after considering our cost of funds, expected credit cost and the operational cost. Pricing may be varied through the term of the loan or credit facility, based on product needs. In addition to fixed rate loans, interest rates may be floating and reset to reflect market conditions during the term of the loan.
 3. **Security, insurance and charge** – We may require creation of enforceable charge over the borrower's/ third party assets in favour of our Company, before the disbursement of a loan.
 4. **Credit Administration and Monitoring** - We have a credit administration and monitoring framework which enables us to effectively identify and mitigate risks associated with clients' portfolios and mark such account as early stressed account and if required limit the exposure and/or accelerate the repayment schedule of the loan of such client.
 5. **Collections and Recoveries** – We expect our clients to regularly serve the interest portion and /or the Principal amount; failing which we are required to move legally against such defaulting client.

Our Business Strategy

Maintain and Expand Long-term Relationships with Clients

Our Company believes that business is a by-product of relationship. The business model is based on client relationships that are established over period of time rather than a project-based execution approach. Our Company believes that long-term client relationship fetches better dividends. Long-term relations are built on trust and continuous satisfaction of the customers. It helps understanding the basic approach of our Company, its products and its market. It also forms basis of further expansion for our Company, as we are able to monitor a potential product/ market closely.

Leveraging of our Marketing Skills and Relationships

We continue to enhance our business operations by ensuring that our network of customers increases through our marketing efforts. Our core competency lies in our deep understanding of our customers' buying preferences and behavior, which has helped us in achieving customer loyalty. We endeavor to continuously improve the product mix offered to the customers as well as strive to understand and anticipate any change in the expectation of our clients towards our products.

Diversified credit profile, strong credit evaluation and risk management systems

We seek to diversify our credit risk and ensure that no individual credit product contributes a large portion to our overall credit book. We believe that this mitigates the risk of concentration to any particular product or sector and helps us to manage our risk exposure in a more effective manner.

Diversify our assets and liabilities

We intend to remain diversified in our loan book by strategically focusing on adjacent high growth and profitable lending businesses and further expand our lending and other businesses. We intend to continue to focus on developing a diversified funding model to achieve optimal cost of funds while balancing liquidity and concentration risks. As our cost of borrowings is determined by our financial discipline and business performance, we intend to source funding at competitive rates. In particular, with respect to our credit business, a decrease in cost of borrowings will enable us to price our products in a more competitive manner. We intend to further diversify and strengthen our profile, strategically adding additional funding resources.

Growth of the business through increasing geographical presence across India

We intend to continue to grow our loan portfolio by expanding our network through the addition of new branches. A good reach to customers is very important in our business. Increased revenue, profitability and visibility are the factors that drive the branch network. Our strategy for branch expansion includes further strengthening our presence in various parts of India by providing higher accessibility to customers.

RISK & Threats

Management of Advik Capital Limited contemplates the following as risk and threats to its business, namely

1. Being a NBFC, we are subjected to supervision and regulation by the RBI, and any changes in RBI's regulations governing us would affect our business.
2. We depend on the accuracy and completeness of information about customers and counterparties for certain key elements of our credit assessment and risk management process, any misrepresentation, errors in or incompleteness of such information could adversely affect Company's business and financial performance.
3. Since we are evolving business and thus it makes difficult to evaluate our business and future operating results on the basis of our past performance, and our future results may exceed or may not meet our past performance.
4. Our financial performance is particularly vulnerable to interest rate volatility. We need to continuously manage interest rate risk.
5. High levels of customer defaults or delays in repayment of loans. We may not be able to recover, on a timely basis or at all, the full value of collateral or amounts which are sufficient to cover the outstanding amounts due under defaulted loans.

6. Our indebtedness and the conditions and restrictions imposed by our financing agreements could restrict our ability to conduct our business and operations in the manner we desire.
7. We face increasing competition in our business which may result in declining margins if we are unable to compete effectively.

Our Strength

Experienced Leadership Team

Our company is managed by people who have a proven track record of delivering results & they possess the right acumen necessary in the build out phase of any organisation. Our senior management have diverse experience in various financial services and functions related to our business. We believe that the knowledge and experience of our senior and mid-level management team members provides us with a significant competitive advantage as we seek to grow our business and expand to new geographies.

Strong Corporate Governance Standards

Creating an institution that is built to last requires strong corporate governance standards. The governance standards are further strengthened by strong policies and processes enshrined in the Articles of Association and strong human resource. We have successfully placed process of credit evaluation, risk management, technology upliftment and business development. Further, we believe in fair trade practices and follow high standards of governance in managing the business of the Company.

Marketing

We have dedicated marketing teams who cater to the demands of the customers and ensure that tailor made solutions are offered to attract and retain the customers.

Competition

We face competition from organized as well as unorganized players in the domestic market. The financial services industry is highly competitive and we expect competition to intensify in the future. We face competition in the lending business from domestic and international banks as well as other NBFCs, fintech lending platforms and private unorganized lenders. Banks are increasingly expanding into retail loans in the rural and semi-urban areas of India. We are exposed to the risk that these banks continue to expand their operations into the markets in which we operate, which would result in greater competition and lower spreads on our loans. In particular, many of our competitors may have operational advantages in terms of access to cost-effective sources of funding and in implementing new technologies and rationalising related operational costs.

Employees

We believe our human capital is one of our most important strengths and a key driver of growth, efficiency and productivity. We invest in developing our talent and leadership through various initiatives aimed at strengthening the ability of our managers to bring together people, strategies, and execution to drive business results.

Corporate Social Responsibility

The Company's CSR mission is to contribute to the social and economic development of the community through a series of efforts. Company's strategy is to integrate its activities in community development, social responsibility and environmental responsibility and encourage each business unit or function to include these considerations into its operations. The Company, for Corporate Social Responsibility activities, endeavours to promote education and ensure environmental sustainability/ ecological balance etc.

HUMAN RESOURCES AND WORK CULTURE

Your Company is focussed on building a high-performance culture with a growth mindset where employees are engaged and empowered to be the best they can be. Developing and strengthening capabilities of all employees in your Company has remained an ongoing priority.

INTERNAL CONTROL SYSTEMS

Your Company has in place adequate internal financial controls. Such controls have been tested during the year and no reportable material weakness in the design or operation was observed. Nonetheless your Company recognizes that any internal financial control framework, no matter how well designed, has inherent limitations and accordingly, regular audit and review processes ensure that such systems are reinforced on an ongoing basis. Your Company has also put in place comprehensive systems and procedural guidelines concerning other areas of business, which are adequate and necessary considering the size and level of operations of the Company. The management has been making constant efforts to review and upgrade existing systems and processes to gear up and meet the changing needs of the business.

CAUTIONARY STATEMENT

This Statement contains forward-looking statements about the business, financial performance, skills and prospects of the Company. Statements about the plans, intentions, expectations, beliefs, estimates, predictions or similar expressions for future are forward-looking statements. Forward-looking statements should be viewed in the context of many risk issues and events that could cause actual performance to be different from that contemplated in the Directors' Report and Management Discussions and Analysis Report. Actual results could differ materially from those expressed or implied.

Form No. MR-3**SECRETARIAL AUDIT REPORT****For The Period 01st April, 2021 to 31st March, 2022**

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

To

The Members,

ADVIK CAPITAL LIMITED**Plot No. 84, Khasra No. 143/84, Ground Floor, Extended Lal Dora,
Kanjhawla, Delhi-110081**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by "**Advik Capital Limited**" (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's documents, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the Financial Year ended on **31st March, 2022** complied with the statutory provisions listed hereunder and that the company has proper Board -processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

- I. The Company is a "Loan Company" engaged in the business of Non-Banking Financial Institution as defined in Section 45 I (a) of the Reserve Bank of India Act, 1934 and carrying a Certificate of Registration issued by Reserve Bank of India, New Delhi bearing certificate number - **B-14.00724**
- II. We have examined the documents, minute books, forms and returns filed and other records maintained by **Advik Capital Limited ("the Company")** for the Financial Year ended on **31st March, 2022** and shown to us by the company according to the provisions of:
 - (i) The Companies Act, 2013 and the Rules made there under to the extent applicable.
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings **(No Fresh FDI, ODI and ECB was taken by the Company during the Audit Period);**
 - (v) **The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992:**
 - The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **(Not applicable to the Company during the audit period);**
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 **(Not applicable to the Company during the audit period).**
 - The Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulation, 2008 **(Not applicable to the Company during the audit period).**
 - SEBI (Delisting of Equity Share) Regulation, 2021 **(Not applicable to the Company during the audit period).**

We further report that, having regard to the compliance system and mechanism prevailing in the Company and representation made by its officers for the same and our examination of relevant documents/records in pursuant thereof **on our test check basis**, the Company has adequate system for the compliances of the following applicable laws:

1. The Reserve Bank of India Act, 1934 and amendment came into force from time to time;
2. Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, duly amended
3. Prudential Norms Issued by the Reserve Banks for NBFC- ND Companies.
4. Prudential Norms Issued by the Reserve Banks for NBFC Companies.

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

- (i) Secretarial Standards 1 & 2 issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited.

We report that:

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

We further report that

- 1) The Composition of Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including two Women Independent Directors on the Board, as per the provisions of Companies Act, 2013 and rules made thereunder. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act, detailed as Annexure B.
- 2) Adequate notices were given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- 3) As per the minutes of the meetings duly recorded and signed by the chairperson and the decision of the Board were unanimous and no dissenting views have been recorded.

We further report that the compliance by the company of applicable financial laws like Direct and Indirect Tax Laws and maintenance of financial records, books of accounts and internal financial control has not been reviewed in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

We further report that pursuant to compliance of section 134(3)(p) and other applicable provisions of the Companies Act, 2013 read with applicable rules as amended from time to time, a formal annual performance evaluation of all the Directors of the Company, its committees and board as a whole was carried out after approval of the policy for the evaluation of the performance by the board during the Financial Year under the audit.

We further report that the Company was not required to submit Annual Secretarial Compliance Report to the Stock Exchange as mandated under Regulation 24 A of SEBI (Listing Obligations and Disclosure Requirement) (Amendment) Regulations, 2018 as the Company falls under the criteria specified under Regulation 15 (2) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 due to the fact that the paid-up Equity Share Capital and Net Worth of the Company was below Rs. 10 Crores and Rs. 25 Crores, respectively as on the close of the previous Financial Year i.e. 31st March, 2021. The said exemption available to the Companies falling under this criteria was clarified by Bombay Stock Exchange (BSE) vide its Circular Nos. LIST/COMP/10/2019-20 and LIST/COMP/12/2019-20 dated 9th May, 2019 and 14th May, 2019, respectively.

We further report that

There are adequate systems and processes in the company commensurate with the size and operations of the company as confirmed by the management of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no instances of:

- (i) Public/ Right/ Preferential issue of shares / debentures/ sweat Equity, etc.
However, the company has obtained the Approval for Issuance of Equity Shares up to an aggregate amount of Rs. 100,00,00,000/- (Hundred Crores only), by way of preferential allotment, QIP's, ADR, GDR, FCCB or any other method or combination thereof including the issue of securities on right basis, in one or more tranches, each aggregating up to Rs. 50,00,00,000/- (Fifty Crores Only), from the Board of Directors of the company in their board meeting held on December 28, 2021 and was declared as carried unanimously as Special Resolution through Postal Ballot on January 29, 2022.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations

As informed, the Company has responded appropriately to all notices received from various statutory/regulatory authorities including initiating actions for corrective measures, wherever found necessary.

For **A. K. VERMA & CO**
(Practicing Company Secretaries)
FRN: P1997DE091500

Ashok Kumar Verma
Senior Partner
FCS: 3945
CP No: 2568

Date: 04.08.2022
Place: New Delhi

PR No: 2099/2022
UDIN: F003945D000742089

This Report is to be read with our letter of even date which is Annexed as (Annexure –A) and forms an integral part of this Report

'Annexure -A'

To

The Members,

ADVIK CAPITAL LIMITEDPlot No. 84, Khasra No. 143/84, Ground Floor,
Extended Lal Dora, Kanjhawla, Delhi-110081**Subject: Our report of even date is to be read along with this letter.**

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

For A. K. VERMA & CO
(Practicing Company Secretaries)
FRN: P1997DE091500

Ashok Kumar Verma
Senior Partner
FCS: 3945
CP No: 2568

Date: 04.08.2022
Place: New Delhi

PR No: 2099/2022
UDIN: F003945D000742089

ANNEXURE- B
DETAIL OF CONSTITUTION OF BOARD OF DIRECTORS AND KEY MANAGERIAL PERSON AS ON 31ST MARCH, 2022 ARE AS UNDER:

| DIN/PAN | NAME | ADDRESS | DESIGNATION | DATE OF APPOINTMENT |
|------------|----------------------------|--|-------------------------------|---------------------|
| 00531255 | Mr. Virender Kumar Agarwal | H-107, Aravali Kunj, Plot No-44, Sector-13, Rohini, Delhi-110085 | Managing Director | 14/01/2010 |
| 03590891 | Mr. Shakul Kumar Agarwal | H-107, Aravali Kunj Apartment Sector -13, Rohini Sector-7 North West Delhi-110085 | Whole-Time Director | 01/07/2012 |
| 00531344 | Mrs. Manju Agarwal | H-107 Aravali Kunj Apartment Sector-13, Rohini Sector-7 North West Delhi-110085 | Director | 07/08/2011 |
| 09270389 | Ms. Gunjan Jha | House No. 191, 4th floor, School Block L Corner Building, Shakar Pur Baramad, Delhi-110092 | Independent Director | 28/12/2021 |
| 09270483 | Ms. Sony Kumari | E-30B Flat No. 8, 2nd floor Near Suman Chowk, Chattarpur Extension, Delhi-110074 | Independent Director | 28/12/2021 |
| 02717104 | Mr. Hemant Agarwal | Dr. Harpal Singh Street, Near Old Bus Stand, Kot Kapura,, Faridkot, Punjab-151204 | Independent Director | 27/09/2017 |
| BYIPG0832M | Rashika Gupta | B-1,550 Madangir, New Delhi-110062 | Company Secretary | 28/12/2021 |
| AJAPA7265J | Rishab Kumar Agarwal | H-107, Aravali Kunj, Plot No-44, Sector-13, Rohini, Delhi-110085 | Chief Financial Officer (CFO) | 24/05/2018 |

Note: During the period under review, there were following changes in the composition of the Board of Directors/KMP's in compliance with the provisions of the Act.

1. Resignation of Mr. Vineet Gupta (DIN: 07714972) from the office of Director (Independent) with effect from December 28, 2021.
2. Resignation of Ms. Chetna (DIN: 08981045) from the office of Director (Independent) of the Company with effect from December 28, 2021.
3. Appointment of Ms. Sony Kumari (DIN: 09270483) as Additional Director (Independent, Non-executive) of the Company with effect from December 28, 2021 and was subsequently appointed as Independent Director of the Company by obtaining members approval through postal ballot on January 29, 2022.
4. Appointment of Ms. Gunjan Jha (DIN: 09270389) as Additional Director (Independent, Non-executive) of the Company with effect from December 28, 2021 and was subsequently appointed as Independent Director of the Company by obtaining members approval through postal ballot on January 29, 2022.
5. Ms. Poonam Mehta Kalra resigned from the office of Company Secretary and Compliance Officer w.e.f December 28, 2021 and thereafter Ms. Rashika Gupta was appointed as the Company Secretary and Compliance officer on December 28, 2021.

For **A. K. VERMA & CO**
(Practicing Company Secretaries)
 FRN: P1997DE091500

Ashok Kumar Verma
 Senior Partner
 FCS: 3945
 CP No: 2568

Date: 04.08.2022
 Place: New Delhi

PR No: 2099/2022
 UDIN: F003945D000742089

CORPORATE GOVERNANCE REPORT

Corporate governance is about promoting fairness, transparency, accountability, commitment to values, ethical business conduct and about considering all stakeholders' interest while conducting business.

In accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto, (the 'SEBI Listing Regulations'), given below are the corporate governance policies and practices of Advik Capital Ltd. (the "Company") for FY2022.

This report outlines compliance with requirements of the Companies Act, 2013, as amended (the 'Act'), the SEBI Listing Regulations and the Regulations of RBI for Non-Banking Financial Companies (the 'NBFC Regulations'), as applicable to the Company. As will be seen, the Company's corporate governance practices and disclosures are well beyond complying with the statutory and regulatory requirements stipulated in the applicable laws.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

For us, corporate governance is a reflection of principles entrenched in our values and policies and also embedded in our day-to-day business practices, leading to value driven growth. The commitment of the Company to the highest standards of corporate governance predates the provisions of the SEBI Listing Regulations and clause 49 of erstwhile Listing Agreement. Ethical dealings, transparency, fairness, disclosure and accountability are the main thrust of the working of the Company. The Company maintains the same tradition and commitment.

Your Company's Corporate Governance philosophy emphasizes on fair and transparent governance and disclosure practices. This philosophy is backed by principles of Concern, Commitment, Ethics, Excellence and Responsibility in its relationship with the stakeholders, clients, associates and public at large. The Company believes that Corporate Governance is a continuous process deeply rooted and evident from the practices being followed by it. The Company thence strives to improve its practices and procedures to provide for fair and adequate transparency at all levels.

The structure of Corporate Governance is many fold and ensured at all levels by the Executive Directors, Key Managerial Personnel, Board Committees and Board of Directors, respectively. The Business of the Company is conducted in the manner commensurate with the corporate governance philosophy of the Company.

BOARD'S COMPOSITION AND INDEPENDENCE

In compliance with the provisions of the Listing Regulations, the Company has optimum combination of executive and non-executive directors with two women independent directors. The Company has an Executive Chairperson. According to provisions of the Listing Regulations, if the Chairperson is an Executive Director, at least one half of the Board of the Company should consist of Independent Directors.

Accordingly, the Board of the Company consists of six Directors, of whom three are Non-Executive Independent Directors, one Non-Executive Non-Independent Director and two are Executive Directors that includes the Chairperson. The Board has no institutional Nominee Directors. The Company is in compliance with the Listing Regulations. The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

In keeping with the commitment to the Management for the principle of integrity and transparency in business operations for good corporate governance, the Company's policy is to have an appropriate blend of independent and Non-Independent Directors to maintain the independence of the Board and to separate the Board functions of governance and management.

COMPOSITION OF THE BOARD

In consonance with the requirements of Regulation 17 of the Listing Regulations, the Board of Directors of the Company is constituted of an appropriate mix of executive and non-executive directors on one hand, and an adequate number of independent directors from amongst the non-executive directors, on the other hand, to maintain the Board's independence, and to ensure exercising effective governance and control over its executive functioning.

The Board of Directors ("the Board") of the Company has an optimum combination of Executive, Non-Executive and Independent Directors. The Board comprises of six Directors of which two are executive, one non-executive and three are independent Directors including two Women Directors on the Board. The composition of the Board is an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities effectively and provide leadership to the business.

The composition of Directors as on March 31, 2022 is set out in the table below:

| Name of Directors | Designation | DIN |
|----------------------------|------------------------|------------|
| Mr. Virender Kumar Agarwal | Managing Director | 00531255 |
| Mrs. Manju Agarwal | Non-Executive Director | 00531344 |
| Mr. Shakul Kumar Agarwal | Executive Director | 03590891 |
| Mr. Hemant Agarwal | Independent Director | 02717104 |
| Mrs. Sony Kumari | Independent Director | 09270483 |
| Mrs. Gunjan Jha | Independent Director | 09270389 |

The composition of the Board of the Company is in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and Section 149 of the Companies Act, 2013 ("the Act").

MATRIX SETTING OUT THE SKILLS/EXPERTISE/COMPETENCE OF THE BOARD OF DIRECTORS

The Board of Directors has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company which is currently available with the Board:

| | |
|-------------------------|---|
| Business | Understanding of business dynamics across various geographical markets, industry verticals and regulatory jurisdictions. |
| Strategy and Planning | Ability to strategize and plan for achievement of goals of the Company and Implementation of the same. |
| Leadership & Management | Leadership experience, understanding of organization, its systems and processes and ability to lead and direct functions of the Company Management of men, machine and Money including the risk involved. |
| Governance & Compliance | Insight of governance practices, serving the best interests of all stakeholders, accountability, building long term effective stakeholder engagements and Driving corporate ethics and values. |
| Financial acumen | Understanding of financial data and ability to analysis and interpret figures, knowledge of finance as a function of organization, ability to take decisions regarding procurement And usage of funds in most effective manner. |

As stipulated under Schedule V of the SEBI Listing Regulations, core skills/expertise/competencies, as required in the context of the business and sector for it to function effectively and those actually available with the Board have been identified by the Board of Directors.

| Name of the Director and Designation | Core skills/expertise/competencies of the Directors | | | | |
|--|---|---------------------|-------------------------|-------------------------|------------------|
| | Business | Strategy & Planning | Leadership & Management | Governance & Compliance | Financial acumen |
| Mr. Virender Kumar Agarwal, Executive Director | √ | √ | √ | √ | √ |
| Mrs. Manju Agarwal, Non-Executive Director | √ | √ | √ | √ | √ |
| Mr. Shakul Kumar Agarwal, Executive Director | √ | √ | √ | √ | √ |
| Mr. Hemant Agarwal, Non-Executive Independent Director | √ | √ | √ | √ | √ |
| Ms. Sony Kumari, Non-Executive Independent Director | √ | √ | √ | √ | √ |
| Ms. Gunjan Jha, Non-Executive Independent Director | √ | √ | √ | √ | √ |

BOARD MEETINGS

As a good governance practice and as per the guidance note issued by the Institute of Company Secretaries of India, the Board Meetings held considering the requirements under applicable laws w.r.t minimum number of meetings and maximum permissible time gap between two consecutive meetings. Additional meetings are also convened as and when required.

The Company also offers video conferencing facility to the Directors to enable them to participate as may be permitted under law. The agenda for the meetings are circulated in advance for informed decision making by the Directors. The Company Secretary attends all the meetings of the Board and Committees and prepares draft minutes of such meetings.

The Company follows the prescribed Board procedures and furnishes detailed notes in advance on the businesses to be dealt with at the Board Meetings in terms of Regulation 17 of the Listing Regulations. The Board has been meeting regularly ensuring that the gap between two consecutive meetings does not exceed one hundred and twenty days. The Company was generally in compliance with the requirements of Regulation 17 of the Listing Regulations, as applicable at the relevant time.

During the year, the Board of the Company met 7 (seven) times on April 19, 2021, June 26, 2021, August 13, 2021, October 28, 2021, December 28, 2021, January 17, 2022 and March 4, 2022 respectively. The maximum gap between the two Board meetings was less than 120 days.

Meetings are usually held at the Registered Office of the Company at Plot No.84, Khasara No.143/84, Ground Floor, Extended Lal Dora, Kanjhwa, Delhi, 110081.

The agenda papers and detailed notes are circulated to the Board well in advance for every meeting, where it is not practicable to attach any document to the agenda, the same is placed before the Board at the meeting and in special circumstances, additional items on the agenda are taken up at the meeting with the necessary approval of Chairperson and Directors in terms of Companies Act, 2013 read with Secretarial Standards.

Details of Directors' attendance at Board and Last Annual General Meeting, Directorships with other Companies including name of listed companies and their designation in those entities and Chairmanship/Membership of Committees of each Director:

The number of Directorship(s)/Committee Membership(s)/Chairmanship(s) of all Directors are within respective limits prescribed under the SEBI Listing Regulations and the Act. The details of composition of the Board as at March 31, 2022, the attendance

record of the Directors at the Board Meetings held during financial year 2021-22 and at the last Annual General Meeting (AGM), as also the number of Directorships, Committee Chairmanships and Memberships held by them in other Public Companies, the names of other listed entities where they have Directorship and their category of directorship in such listed entities, the number of Board Meetings are given here below:

| Name of Directors | Designation Category | Attendance Particulars | | | No. of other directorships and Committee memberships/ chairmanships* | | | Directorship in other listed entities | No. of Shares held by directors |
|---|--|--|------------------------|----------|--|-----------------------|-------------------------|---------------------------------------|---------------------------------|
| | | Board Meeting Held during their tenure | Board Meeting Attended | Last AGM | Other Directorships | Committee Memberships | Committee Chairmanships | | |
| Mr. Virender Kumar Agarwal | Managing Director | 7 | 7 | Yes | 2 | 0 | 0 | 0 | 1,38,00,000 |
| Mrs. Manju Agarwal | Non-Executive-Non Independent Director | 7 | 7 | Yes | 1 | 0 | 0 | 0 | 0 |
| Mr. Shakul Kumar Agarwal | Executive Director | 7 | 7 | Yes | 1 | 0 | 0 | 0 | 35,84,000 |
| Mr. Hemant Agarwal | Non-Executive - Independent Director | 7 | 7 | No | 0 | 0 | 0 | 0 | 0 |
| Mr. Vineet Gupta (resigned w.e.f Dec 28, 2022) | Non-Executive-Independent Director | 4 | 4 | No | 0 | 0 | 0 | 0 | 0 |
| Ms. Chetna (resigned w.e.f Dec 28, 2022) | Non-Executive-Independent Director | 4 | 4 | No | 7 | 4 | 1 | 4 | 0 |
| Mrs. Sony Kumari (appointed w.e.f Dec 28, 2022) | Non-Executive-Independent Director | 3 | 3 | - | 1 | 1 | 0 | 1 | 0 |
| Mrs. Gunjan Jha (appointed w.e.f Dec 28, 2022) | Non-Executive-Independent Director | 3 | 3 | - | 1 | 2 | 2 | 1 | 0 |

*Excludes Directorship in private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 and only two Committees, namely, Audit Committee and Stakeholders' Relationship Committee have been considered as per Regulation 26(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

INDEPENDENT DIRECTORS

The Independent Directors have confirmed that they meet the criteria of Independence as stipulated under Section 149(6) of the Companies Act, 2013 read with the Regulation 16 (1) (c) of the Listing Regulations and they are not aware of any circumstances or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment as an Independent Director of the Company.

In opinion of the Board, the Independent Directors of the Company fulfil the criteria of Independence as per the extant provisions of Companies Act, 2013 and Listing Regulations.

INDEPENDENT DIRECTORS' MEETING

A separate meeting of the Independent Directors was held on January 17, 2022 without the presence of Executive Directors or non-independent Directors and members of the management. The Independent Directors in their meeting, inter-alia:

- reviewed the performance of non-independent directors and the Board as a whole;
- Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
- The performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors.

FAMILIARIZATION PROGRAMMED FOR INDEPENDENT DIRECTORS

Your Company follows a structured orientation and familiarization programme for Independent Directors which includes familiarizing through reports/codes/internal policies/presentations to enable them to understand their roles and responsibilities, nature of the industry in which the Company operates, business model of the Company, it's strategic and operating plans. Further, during the year, presentations were also made from time to time at the Board and its committee meetings, on regular intervals, covering the business and financial performance of the Company, business outlook, budget, expansion plans, succession plans etc. The details of the familiarization programme for the Independent Directors are available on the website of the Company at www.advikgroup.com.

PERFORMANCE EVALUATION CRITERIA

The Nomination & Remuneration Committee carried out the Annual Performance evaluation of Directors individually, including the Chairman and the Board evaluated the overall effectiveness of the Board of Directors including its committees based on the

ratings given by the Nomination & Remuneration Committee of the Company. The evaluation is largely based on parameters like attendance, participation in discussion of Board and Committee meetings, effectiveness of Chairman in carrying out roles of respective committees, value addition by suggestions or innovation and leadership etc.

The performance evaluation of the Independent Directors was carried out by the entire Board on the criteria and framework adopted by Board (the concerned director being evaluated did not participate). The Board has expressed its satisfaction on its own performance and performance of the Directors including Independent Directors.

COMMITTEES OF BOARD OF DIRECTORS

The Board has constituted Committees for carrying out designated functions assigned under Companies Act, 2013 and Listing Regulations and delegated powers suited to their respective roles.

The Committees constituted by the Board of Directors of the Company are as under:

1. Audit Committee
2. Nomination & Remuneration Committee
3. Stakeholders' Relationship Committee

The details of the role and composition of Committees of the Board including number of meetings held during the year and attendance thereat are provided below.

AUDIT COMMITTEE

The Audit Committee during the year 2021-22 comprised of three members, all are independent Directors including the Chairman. The Chairman of the Committee is an experienced Chartered Accountant and has an expertise in financial matters. All other members of the Committee are also financially literate. During the year under review, the Audit Committee met four (4) times on June 26, 2021, August 13, 2021, October 28, 2021 and January 17, 2022 with necessary quorum being present at all the meetings:

| Name of Member | Designation | No. of meetings held during the tenure of Director | No. of Meetings Attended |
|---|-------------|--|--------------------------|
| Mr. Hemant Agarwal ¹ | Chairperson | 4 | 4 |
| Mr. Virender Kumar Agarwal ² | Member | 3 | 3 |
| Mr. Vineet Gupta ³ | Member | 3 | 3 |
| Mrs. Gunjan Jha ⁴ | Member | 1 | 1 |
| Mrs. Sony Kumari ⁵ | Member | 1 | 1 |

¹The audit committee was reconstituted and Mr. Hemant Agarwal ceased to be Chairperson of audit committee and acted as member of audit committee with effect from January 17, 2022.

²The audit committee was reconstituted, and Mr. Virender Kumar Agarwal ceased to be member of audit committee with effect from January 17, 2022.

³Mr. Vineet Gupta resigned from the office of Director (Independent) with effect from December 28, 2021.

⁴Mrs. Gunjan Jha was appointed as member with effect from December 28, 2021 and thereafter acted as Chairperson with effect from January 17, 2022.

⁵Mrs. Sony Kumari was appointed as member with effect from December 28, 2021.

Brief Terms of reference:

The Audit Committee of the Board, reviews, acts on and reports to our Board with respect to various auditing and accounting matters. The primary responsibilities of the Committee, inter alia, are:

- a) Auditing and accounting matters, including recommending the appointment of our independent auditors to the shareholders.
- b) Compliance with legal and statutory requirements.
- c) Integrity of the Company's financial statements, discussions with the independent auditors regarding the scope of the annual audits, and fees to be paid to the independent auditors.
- d) Performance of the Company's internal audit function, independent auditors and accounting practices.
- e) Review of related party transactions and functioning of whistle blower mechanism; and
- f) Evaluation of internal financial controls and risk management systems and policies.

As on March 31, 2022 all members of the Audit Committee are Independent Directors and financially literate. Statutory Auditors as well as Internal Auditors are invited and attend meetings of the Audit Committee and periodic presentations are also made to the Audit Committee on various issues.

Any other matter as may be prescribed, from time to time, to be referred to the Audit Committee in terms of the Companies Act, 2013/ Listing Regulations or any other applicable statute for the time being in force and the rules, regulations thereto.

NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee has been constituted for recruitment and recommendation of individuals for appointment as Directors, Key Managerial Personnel and Senior Management Officials of the Company. The Committee also formulates and monitors implementation of remuneration policy of the Company. The Nomination & Remuneration Committee comprises of three members all are independent Directors including the Chairman.

During the year under review, the Nomination & Remuneration Committee met 1 (one) time on December 28, 2022, with necessary quorum being present at all the meetings:

The composition of the Nomination and Remuneration Committee during the year 2021-22 is as below:

| Name of Member | Designation | No. of meetings held during the tenure of Director | No. of Meetings Attended |
|---------------------------------|-------------|--|--------------------------|
| Mr. Hemant Agarwal ¹ | Chairperson | 1 | 1 |
| Mr. Vineet Gupta ² | Member | 0 | 0 |
| Ms. Chetna ³ | Member | 0 | 0 |
| Mrs. Gunjan Jha ⁴ | Member | 1 | 1 |
| Mrs. Sony Kumari ⁵ | Member | 1 | 1 |

¹The Nomination and Remuneration Committee was reconstituted and Mr. Hemant Agarwal ceased to be Chairperson of the Nomination and Remuneration Committee and acted as member of Nomination and Remuneration Committee with effect from January 17, 2022.

²The Vineet Gupta resigned from the office of Director (Independent) with effect from December 28, 2021.

³Ms. Chetna (DIN: 08981045) resigned from the office of Director (Independent) of the Company with effect from December 28, 2021.

⁴Mrs. Gunjan Jha was appointed as member with effect from December 28, 2021 and thereafter acted as Chairperson of Nomination and Remuneration Committee with effect from January 17, 2022.

⁵Mrs. Sony Kumari was appointed as member with effect from December 28, 2021.

Brief Terms of reference:

The Nomination & Remuneration Committee of the Company, inter alia, performs the following functions:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees. Formulation of criteria for evaluation of performance of independent directors and the Board.
- Devising a policy on diversity of the Board.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommending to the Board their Appointment and removal.
- Extension or continuance of the terms of appointment of the independent directors, on the basis of the report of performance evaluation of independent directors.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the board of directors their appointment and removal and carry out evaluation of every director's performance(including that of independent directors).
- Performing such other activities as may be delegated by the Board or specified/ provided under the Companies Act 2013 or by the SEBI (Listing) Regulations or by any other applicable law or regulatory authority.

Remuneration of Directors

Details of Remuneration paid to Directors and KMP's during the year ended March 31, 2022:

| Name of Director | Category | Salary (Amount in Rupees) | Perquisites & PF (Amount in Rupees) | Total (Amount in Rupees) |
|--------------------------------|---------------------|---------------------------|-------------------------------------|--------------------------|
| Mr. Virender Kumar Agarwal | Managing Director | 12,00,000 | Nil | 12,00,000 |
| Mr. Shakul Kumar Agarwal | Whole Time Director | 1,50,000 | Nil | 1,50,000 |
| Mr. Rishab Kumar Agarwal | CFO | 6,00,000 | | 6,00,000 |
| Ms. Poonam Mehta ¹ | Company Secretary | 109,574 | Nil | 109,574 |
| Ms. Rashika Gupta ² | Company Secretary | 1,29,780 | Nil | 1,29,780 |

¹Ms. Poonam Mehta Kalra resigned from the office of Company Secretary and Compliance Officer w.e.f December 28, 2021

²Ms. Rashika Gupta was appointed as the Company Secretary and Compliance officer on December 28, 2021

Non-Executive Directors were not paid any remuneration during the financial year 2021-22. The Company presently does not have an Employee Benefit Scheme in operation and hence no stock options have been granted to any of the Directors of the Company. Mr. Virender Kumar Agarwal, Managing Director & promoter Director of the Company was holding 1,38,00,000 equity shares and Mr. Shakul Kumar Agarwal, Whole Time Director and promoter director of the Company is holding 35,84,000 equity shares as on March 31, 2022. None of the other non-executive Directors is holding any shares in the Company.

None of the Directors are holding any convertible instruments having a right to apply / option of conversion of the same in equity shares of the Company.

CRITERIA FOR MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS INCLUDING ALL PECUNIARY RELATIONSHIP OR TRANSACTIONS OF NON- EXECUTIVE DIRECTORS

The Non-Executive and Independent Directors are not paid any remuneration other than sitting fees for attending the meetings of the Board or its Committees as approved by the Board from time to time.

Pecuniary relationship (if any) other than remuneration with any of the non-executive Director is disclosed as part of notes to Financial Statements under note of "Related Party Transactions".

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Stakeholders' Relationship Committee is constituted to manage servicing to the shareholders of the Company and to look into aspects related thereto, including redressal of complaints, transfer/ transmission of securities, issue of duplicate shares etc. The Committee comprises of three Members all being Independent Directors including the Chairman.

During the year under review, one (1) meeting of Stakeholders' Relationship Committee was held on January 17, 2022.

The Composition of Stakeholders' Relationship Committee as on March 31, 2022, is given below:

| Name of Member | Designation | No. of meetings held during the tenure of Director | No. of Meetings Attended |
|-------------------------------|--------------------|---|---------------------------------|
| Mrs. Sony Kumari ¹ | Chairperson | 1 | 1 |
| Mrs. Gunjan Jha ² | Member | 1 | 1 |
| Mr. Virender Kumar Agarwal | Member | 1 | 1 |

¹Mrs. Sony Kumari was appointed as member with effect from December 28, 2021 and thereafter acted as Chairperson of Stakeholders' Relationship Committee with effect from January 17, 2022.

⁴Mrs. Gunjan Jha was appointed as member with effect from December 28, 2021.

Brief Terms of reference:

The terms of reference of the Stakeholders' Relationship Committee includes the following:

Monitoring the grievance and redressal of all security holders' grievances such as complaints related to non-receipt of allotment/refund, review of cases for refusal of transfer/transmission of shares, including non-receipt of share certificates, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc. and assisting with quarterly reporting of such complaints.

Maintaining continuous harmony with the Registrar and Share Transfer Agent for ensuring allotment, giving effect to all transfer/transmission of securities, dematerialization of shares and re-materialization of shares, splitting and issuing of duplicate/consolidated share certificates, complying with all the requirements related to shares, debentures and other securities in a timely manner.

Reviewing statutory compliances pertaining to share / security capital, processes, shareholders and depositories.

Carrying out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

EXECUTIVE COMMITTEE

The Executive Committee was constituted by the Board of Director of the Company. The role of the Executive Committee is to expeditiously decide business matters of routine nature and implementation of strategic decisions of the Board. The Committee functions within the approved framework and directions of the Board. The Committee also performs other activities as per the terms of reference approved by the Board. The Committee comprises 2 (Two) Executive Directors and 1 (One) Non-Executive Director. The Company Secretary of the Company acts as Secretary to the Executive Committee.

During the year under review, one (1) meeting of Executive Committee was held on October 28, 2021.

The Composition of Executive Committee as on March 31, 2022, is given below:

| Name of Member | Designation | No. of meetings held during the tenure of Director | No. of Meetings Attended |
|----------------------------|--------------------|---|---------------------------------|
| Mr. Virender Kumar Agarwal | Chairman | 1 | 1 |
| Ms. Manju Agarwal | Member | 1 | 1 |
| Mr. Shakul Kumar Agarwal | Member | 1 | 1 |

GENERAL BODY MEETING

The date, time and venue of the last three Annual General Meeting and Extra-Ordinary General Meeting held during the year are given below:

| Financial year | Day & Date | Type of Meeting | Time | Venue | Special Resolutions Passed |
|----------------|------------------------------|------------------------|-----------|--|---|
| 2020-21 | Monday, September 27, 2021 | Annual General Meeting | 12:30 P.M | Plot Number 84, Kanjhawla Industrial Area, 100 Foota Road, New Delhi- 110081 | 1. To appoint Ms. Chetna as Independent Director of the company 2. To re-appoint M/s A. K. Verma & Co., Company as Secretarial Auditor of the Company for the Financial Year 2021-2022 |
| 2019-20 | Wednesday, December 23, 2020 | Annual General Meeting | 12.30 P.M | Plot Number 84, Kanjhawla Industrial Area, 100 Foota Road, New Delhi- 110081 | No special resolutions were passed |
| 2018-19 | Friday, September 27, 2019 | Annual General Meeting | 12:30 P.M | Plot Number 84, Kanjhawla Industrial Area, 100 Foota Road, New Delhi- 110081 | 1. Increase in the Remuneration of Mr. Virender Kumar Agarwal, Managing Director of the Company |

POSTAL BALLOT

As on date of this Report, a special resolution was passed through postal ballot on January 29, 2022 for the following purpose:

| S.No. | Description |
|-------|--|
| 1 | To authorize fund raising through issuance of equity shares or other convertible securities |
| 2 | To increase in authorized share capital of the company and consequent alteration in capital clause of the Memorandum of Association of the Company |
| 3 | To amend Articles of Association of the Company by substitution and insertion of new Article(s) |
| 4 | To appoint Ms. Gunjan Jha (DIN: 09270389) as a Director of the Company |
| 5 | To appoint Ms. Gunjan Jha (DIN: 09270389) as an Independent Director of the Company |
| 6 | To appoint Ms. Sony Kumari (DIN: 09270483) as a Director of the Company |
| 7 | To appoint Ms. Sony Kumari (DIN: 09270483) as an Independent Director of the Company. |

All above resolutions were passed and the details of such was intimated to the stock exchanges along with the scrutinizers report as per as per the requirements of Regulation 44 and other applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SUBSIDIARY COMPANIES

The Company has one subsidiary Company i.e., "Advik Optoelectronics Limited". The Subsidiary Company is also a 'Material Subsidiary' within the meaning of Regulation 16 (c) of the Listing Regulations and complying all the applicable provisions of Listing Regulations. The Audit Committee of the Company reviews the financial statements of the unlisted Subsidiary Company at periodic intervals. The Minutes of the Board Meetings of the unlisted Subsidiary Company are placed at the Board Meeting of the Company on quarterly basis.

All significant transactions and arrangements, if any, entered into by the unlisted Subsidiary Company are periodically reported to the Board of Directors.

MEANS OF COMMUNICATION

- Website:** Information like Quarterly/Half yearly/Annual Financial Results, Full Annual Report, Shareholding Pattern, and press releases / corporate announcements on significant developments in the Company are made available through website of the Company www.advikgroup.com
- Annual Report:** Annual Report containing inter-alia, Audited Accounts, Financial Statements, Board's Report, Management Discussion and Analysis (MD&A) Report, Corporate Governance Report, Auditors' Report, including Information for the Shareholders and other important information is circulated to the members and others entitled thereto
- Quarterly/ Annual Results:** The Company regularly intimates un-audited as well as audited financial results to the Stock Exchanges, immediately after approval of Board. These financial results are normally published in the leading English and vernacular newspapers having nationwide circulation. The results are also displayed on the website of the Company www.advikgroup.com

The Financial Results of the Company are generally published in Financial Express (English) and Jansatta/ Hari Bhumi (Hindi).

Details of Company's business, financial information, investor presentations, shareholding pattern, compliance with corporate governance, policies, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances including all other mandatory disclosures are promptly and prominently displayed on the website of the Company at www.advikgroup.com.

PROHIBITION OF INSIDER TRADING

During the year under review, the Company has adopted the Code of Conduct for Regulation, Monitor and Reporting of Insider Trading in terms of amended SEBI (Prohibition of Insider Trading) Regulations, 2015 as notified by the Securities and Exchange Board of India. The code for fair disclosure has also been adopted by the Company effective its date of listing and is available on website of the Company www.advikgroup.com.

GENERAL SHAREHOLDER INFORMATION
1) Annual General Meeting

| | |
|-------------------------|---|
| Day & Date | Tuesday, September 27, 2022 |
| Deemed Venue | Plot No. 84, Khasra No. 143/84, Ground Floor, Extended Lal Dora, Kanjhawla Delhi 110081 |
| Time | 11:30 P.M |
| Cut-off date (e-voting) | September 20, 2022 |

2) Financial Year

The Financial Year of the Company starts from 1st day of April and ends on 31st day of March of next year:

| | |
|--|------------------|
| First Quarter Results | June 26, 2021 |
| Second Quarter Results | August 13, 2021 |
| Third Quarter Results | October 28, 2021 |
| Annual Results for the year March 31, 2022 | January 17, 2022 |

3) Dividend Payment Date

The Company has not paid or declared any dividend during the Financial Year ending March 31, 2022. Hence, no amount by the company was required to be transferred to the Investors Education and Protection Fund (IEPF).

4) Book Closure : From September 21, 2022 till September 27, 2022

5) Name and Address of Stock Exchange where Securities of the Company are listed:

| Sr. No | Name and address of the Stock Exchange | Scrip Code |
|--------|--|--------------------------------|
| 1. | BSE Limited (P. J. Towers, Dalal Street, Mumbai 400001) | 539773 (ISIN: INE178T01024) |

6) Share Transfer Agent

All the work related to the shares held in the physical form as well as shares held in the electronic (demat) form is being done at one single point and for this purpose SEBI registered Registrar and Share Transfer Agent has been appointed, whose details are given below.

Skyline Financial Services Private Limited

D-153A, 1st Floor, Okhla Industrial Area,

Phase- I, New Delhi- 110 020

Tel: 011- 40450193-94-95-96-97

Website: www.skylinerta.com

Email: info@skylinerta.com

7) Share Transfer System

Effective from April 1, 2019, transfer of Shares in physical form is not permissible under Listing Regulations. Shareholders are thus advised to convert their shares in Dematerialized /Electronic form. No transfer or allotment of shares will be approved in physical form.

Transfer of Equity Shares in dematerialized form is done through depositories with no involvement of the Company.

8) Distribution Of Shareholding as on March 31, 2022
a. Distribution of Shareholding

The shareholding distribution of equity shares as on March 31, 2022 is given hereunder:

| Number of Equity Shares Held | Number of Shareholders | % of Total Shareholders | Number of Shares Held | % Shareholding |
|------------------------------|------------------------|-------------------------|-----------------------|----------------|
| 1-5000 | 5405 | 93.84% | 2626685 | 5.73% |
| 5001-10000 | 141 | 2.45% | 1169040 | 2.55% |
| 10001-20000 | 77 | 1.34% | 1123069 | 2.45% |
| 20001-30000 | 41 | 0.71% | 1040822 | 2.27% |

| | | | | |
|--------------|----|-------|----------|--------|
| 30001-40000 | 9 | 0.16% | 320720 | 0.70% |
| 40001-50000 | 18 | 0.30% | 878662 | 1.90% |
| 50001-100000 | 20 | 0.35% | 1580704 | 3.45% |
| 100001-Above | 49 | 0.85% | 37133898 | 80.95% |

b. Category Wise Shareholding as on March 31, 2022

| Description | Total No. of equity Shares held as on March 31, 2022 | % Shareholding |
|-----------------------------|--|----------------|
| Promoters | 1,73,84,000 | 37.89 |
| Resident Individuals | 1,98,18,486 | 43.21 |
| Foreign Portfolio Investors | 20,03,000 | 4.37 |
| Non Resident Indians | 67,881 | 0.15 |
| HUF (Public) | 16,47,475 | 3.59 |
| Clearing Members | 4,19,322 | 0.91 |
| Firms | 22,500 | 0.05 |
| Body Corporate | 45,10,936 | 9.83 |

9. Dematerialization of Shares

As on March 31, 2022, the entire shareholding of the promoters were held in dematerialized form, further, 99.96% of the total equity shares were held in dematerialized form.

Reconciliation of Share Capital as on March 31, 2022

| SEGMENTS | HOLDINGS | % OF HOLDINGS |
|-----------------------|--------------------|---------------|
| CDSL | 1,04,44,838 | 22.77 |
| NSDL | 3,54,10,762 | 77.19 |
| PHYSICAL | 18,000 | 0.04 |
| TOTAL HOLDINGS | 4,58,73,600 | 100 |

10. Stock Market Price Data - high, low during each month in last financial year:

Price details monthly High-Low as compared with broad based Index.

Stock trading details on BSE

Scrip Code: 539773

Symbol: ADVIKCA

For the period: April, 2021-March, 2022

| Month | Open | High | Low | Close | Total traded Volume (in Lakhs) | Turnover (in Lakhs) |
|----------|------|------|------|-------|--------------------------------|---------------------|
| April'21 | 1.52 | 1.61 | 1.30 | 1.60 | 0.28 | 0.41 |
| May'21 | 1.65 | 3.20 | 1.65 | 3.20 | 1.12 | 3.12 |
| June'21 | 3.26 | 3.99 | 3.19 | 3.19 | 1.69 | 6.07 |
| July'21 | 3.13 | 3.79 | 2.62 | 2.89 | 5.26 | 16.17 |
| Aug'21 | 2.95 | 2.95 | 2.27 | 2.28 | 68.78 | 162.70 |
| Sep'21 | 2.35 | 3.79 | 2.07 | 3.21 | 262.52 | 688.40 |
| Oct'21 | 3.37 | 4.24 | 2.85 | 3.61 | 95.56 | 344.54 |
| Nov'21 | 3.78 | 4.66 | 3.41 | 4.49 | 23.84 | 92.80 |
| Dec'21 | 4.27 | 4.27 | 3.67 | 3.67 | 1.48 | 6.18 |
| Jan'22 | 3.49 | 3.49 | 2.59 | 2.80 | 22.34 | 65.68 |
| Feb'22 | 2.94 | 3.20 | 2.36 | 3.20 | 65.83 | 178.71 |
| March'22 | 3.36 | 4.18 | 2.86 | 3.87 | 140.77 | 515.27 |

11. Outstanding Convertible Instruments

The Company doesn't have any Outstanding Convertible Instruments having any impact on the equity.

12. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company has not undertaken any forex or hedging transactions during the year under review.

13. Plant Location

The company has no manufacturing unit so there is no plant set up for the business of the Company. The company has indulged into financial activities via its registered office located at Plot No. 84, Khasra No. 143/84, Ground Floor, Extended Lal Dora, Kanjhawla, Delhi- 110081.

Address for Correspondence

Registered Office: Plot No. 84, Khasra No. 143/84, Ground Floor, Extended Lal Dora, Kanjhawla, Delhi- 110081

Telephone No : 011- 25952595

Email : advikgroup@yahoo.com

Website : www.advikgroup.com

14. Other Disclosures**Related Party Transactions**

The Company has formulated a policy on Material Related Party Transactions and dealing with Related Party Transactions and the same is available on the Company's website at www.advikgroup.com.

All Related Party Transactions are placed before the Audit Committee for prior approval. The details of related party transactions entered into by the Company are also reviewed by the Audit Committee. Details of Related Party Transactions are provided in the notes to the Financial Statements.

Statutory Penalties

There are no penalties imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to capital markets.

Vigil Mechanism /Whistle Blower Policy

The Company has formulated a vigil mechanism Policy for the Directors and Employees of the Company through which genuine concerns regarding various issues relating to inappropriate functioning of the organization can be communicated and uploaded the same on the website of the Company at www.advikgroup.com. During the year under review, there has been no incidence reported which requires action by the Board or Committee.

Accordingly, Directors, employees or any other person having dealings with the Company may report such instances to the Chairman of Audit Committee. Confidentiality to be maintained of such reporting and it will be ensured that the Vigil Mechanism are not subjected to any discrimination.

15. Compliance with Mandatory and Non-Mandatory Requirements under Chapter IV of Listing Regulations

The Company has complied with all the mandatory requirements of Listing Regulations. The Company also strives to adopt non mandatory requirements to the extent possible; details of non-mandatory requirements adopted by Company are as under:

Majority of Non-Executive Director

The Board of directors has ensured that 2/3rd of the entire Board consists of Non-Executive directors, your Company has further ensured that majority of the Non-Executive directors on the Board are independent directors.

Modified Opinion(s) in Audit Report

There is no modified opinion(s) in the Auditors Report for the financial year 2021-22 issued by the Auditors of the Company.

Reporting of Internal Auditor

The Internal Auditor reports to the Audit Committee.

Details of utilization of funds raised during the year

The Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) during the financial year 2021-22.

Certificate on Non-Disqualification of Directors

A certificate from Practicing Company Secretary certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as a Director by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority forms part of the this report.

Total fees for all services paid by the Company to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part

The total fees paid to the M/s Garg Anil & Co., Chartered Accountants (Firm Registration No. 6308N), Statutory Auditor by the Company for the Financial Year 2021-22 is Rs. 21,000.

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

During the financial year ended March 31, 2021, the Company has not received any complaint in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

16. Reconciliation of Share Capital Audit

The Reconciliation of Share Capital Audit is conducted by the Company Secretary in practice to reconcile the total admitted capital with National Securities Depository Limited and Central depository Services (India) Limited ("Depositories"), the total issued and listed capital. The audit confirms that the total issued /paid up capital is in agreement with the aggregate of the

total number of shares in physical form and total number of shares in dematerialized form (held with depositories) and that the request for dematerialization of shares are processed by the R & T Agent within the stipulated period of 21 (Twenty One) days and uploaded with the concerned depositories.

17. Information on Deviation from Accounting Standards, if any

The Company has adopted Indian Accounting Standards (Ind AS) in preparation of annual accounts for the Financial Year 2021-22.

18. Disclosure of Compliance with the Corporate Governance requirements

Pursuant to Regulation 15(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015, the compliance with the corporate governance provisions as specified in Regulation 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and paras C, D and E of Schedule V of SEBI LODR Regulations was not applicable to the Company as the paid up equity share capital of the Company and Net worth of the Company is not exceeding Rs. 10 Crore and Rs. 25 Crore respectively as on the close of the Financial Year i.e. March 31, 2022.

However, as a good corporate practice, the Company has voluntarily provided the information in Corporate Governance Report on a suo-moto basis under the provisions of paras C, D of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015, which is forming part of this Report (but no certificate was obtained for confirming compliance with the conditions of the Corporate Governance in terms of the Listing Regulations, as the same is nor mandatorily required.)

19. CEO / CFO certification

The Regulation 17(8) of SEBI (LODR) Regulations is not applicable to the Company as the paid up equity share capital of the Company and Net worth of the Company is not exceeding Rs. 10 Crore and Rs. 25 Crore respectively as on the close of the Financial Year i.e. March 31, 2022.

However, as a good corporate practice, voluntarily to comply with the Regulation 17(8) of SEBI (LODR) Regulations, the Whole time Director and the Chief Financial Officer have certified that the financial statements present a true and fair view of the Company's affairs and are in compliance with existing accounting standards. The said Certificate is also forming part of this Report.

20. Code of Conduct

The Board and all senior management personnel of the Company are required to abide by the Code of Conduct as laid down by the Board ensuring minimum standards of Business and ethical Conduct.

This Code outlines fundamental ethical considerations as well as specific considerations that need to be maintained for professional conduct. This Code has been displayed on the Company's website at www.advikgroup.com.

A declaration by the Managing Director confirming that all the Directors and senior management personnel of the Company have affirmed compliance with Company's Code of Conduct for the financial year ended March 31, 2022 is annexed at the end of this report.

**For and on behalf of the Board of Directors of
Advik Capital Limited**

Date: August 25, 2022
Place: Delhi

Virender Kumar Agarwal
Managing Director
DIN: 00531255

Shakul Kumar Agarwal
Whole-Time Director
DIN: 03590891

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Advik Capital Limited
Plot No. 84, Khasra No. 143/84, Ground Floor,
Extended Lal Dora, Kanjhawla Delhi 110081

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Advik Capital Limited having CIN: L65100DL1985PLC022505 and having registered office at Plot No. 84, Khasra No. 143/84, Ground Floor, Extended Lal Dora, Kanjhawla Delhi 110081 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the FY ended March 31, 2022.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of a Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any court or any other Statutory Authority:

| S. No. | Name of Director | DIN | Date of Appointment |
|--------|----------------------------|----------|---------------------|
| 1 | Mr. Virender Kumar Agarwal | 00531255 | 14/01/2010 |
| 2 | Mrs. Manju Agarwal | 00531344 | 07/08/2011 |
| 3 | Mr. Shakul Kumar Agarwal | 03590891 | 01/07/2012 |
| 4 | Mr. Hemant Agarwal | 02717104 | 04/08/2009 |
| 5 | Mr. Vineet Gupta* | 07714972 | 10/02/2017 |
| 6 | Ms. Chetna* | 08981045 | 10/11/2020 |
| 7 | Ms. Sony Kumari | 09270483 | 28/12/2021 |
| 8 | Ms. Gunjan Jha | 09270389 | 28/12/2021 |

*Mr. Vineet Gupta and Ms. Chetna resigned from the office of Directorship with effect from December 28, 2021.

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

For KUMAR G & Co.
Company Secretaries

Gupta P. K.
Proprietor
M. No. 14629
COP No. 7579

Place: New Delhi
Date: August 25, 2022

UDIN: A014629D000847001

CEO'S/CFO'S CERTIFICATE

To,
The Board of Directors

Advik Capital Limited

Plot No. 84, Khasra No. 143/84, Ground Floor,
Extended Lal Dora, Kanjhawla Delhi 110081

We, Virender Kumar Agarwal, Managing Director and Ashwini Kumar, Chief Financial Officer of Advik Capital Limited, to the best of our knowledge and belief, certify that:

- a) We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2022 and that to the best of our knowledge and belief :
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements, that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed, to the auditors and the Audit Committee, wherever applicable, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee, wherever applicable,
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting

For Advik Capital Limited

Date: August 25, 2022
Place: Delhi

Virender Kumar Agarwal
Managing Director
DIN: 00531255

Ashwini Kumar
Whole Time Director & CFO
DIN: 09651038

DECLARATION OF COMPLIANCE WITH COMPANY'S CODE OF CONDUCT

To,
The Board of Directors
Advik Capital Limited
Plot No. 84, Khasra No. 143/84, Ground Floor,
Extended Lal Dora, Kanjhawla Delhi 110081

I hereby confirm that all the Board members and senior management personnel of the company have affirmed compliance with the company's Code of Conduct during the financial year ended March 31, 2022.

For Advik Capital Limited

Date: August 25, 2022
Place: Delhi

Virender Kumar Agarwal
Managing Director
DIN: 00531255

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ADVIK CAPITAL LIMITED

Report on the Audit of the Standalone financial statements

Opinion

We have audited the accompanying Standalone financial statements of **Advik Capital Limited** ("the Company"), which comprise the Balance Sheet as at March 31st, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and Notes to the Standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the Profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis/ Business Responsibility Report/ and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. The above-referred information is expected to be made available to us after the date of this audit report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable

assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. Further to our comments in the **Annexure A**, as required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet and the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**”.
- g) With respect to the other matters included in the Auditor’s Report in accordance with Rule 11 of the companies (Audit and Auditors) Rule, 2014, in our opinion and to the best of our information and according to the explanation given to us:
- i. The Company does not have any material pending litigations which effects on its financial position in its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended on March 31, 2022.
 - iv. (a) The management has represented to us that, to the best of management’s knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The management has represented to us that, to the best of management’s knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person or entity, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (c) According to the information and explanations given to us and based on our examination of the records of the company, nothing has come to our notice that has caused us to believe that the representations made above contain any material mis-statement.
 - v. The company has not declared or paid any dividend during the year.
- h) With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **GARG ANIL & CO**
Chartered Accountants
Firm Registration No. 006308N

Date: 28/05/2022
Place: New Delhi

CA Anil Garg
Proprietor
Membership No. 085017
UDIN: 22085017AJUBMU4961

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Advik Capital Limited of even date)

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a) (A) According to the information and explanations given to us and the records examined by us, the Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (B) According to the information and explanations given to us and the records examined by us, the Company has maintained proper records showing full particulars of Intangible Assets.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, plant and equipment by which all Property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain Property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
 - (d) According to the information and explanations given to us and the records examined by us, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year.
 - (e) According to the information and explanations given to us and the records examined by us, there are no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. In respect of the Company's Inventory:
 - (a) The Company is in the business of rendering services and demineralized securities, consequently, does not hold any physical inventory. Therefore, the provisions of clause 3(ii)(a) of the Order are not applicable to the Company.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. Therefore, reporting under paragraph 3(ii)(b) of the Order is not applicable to the company.
- iii. According to the information and explanations given to us and the records examined by us, during the year the company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the act'). Therefore, reporting under paragraph 3(iii) of the Order is not applicable to the company.
- iv. According to the information and explanations given to us and on the basis of our examination of the records, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- vi. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- vii.
 - (a) In our opinion and according to the information and explanations given to us and the records examined by us, undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Customs Duty, Excise Duty, Value Added Tax, Cess, and any other statutory dues, as applicable have been regularly deposited with the appropriate authorities.
 - (b) According to the information and explanations given to us and the records examined by us, there are no dues of GST, Provident Fund, Central Excise, Income Tax, Entry Tax, Custom Duty, TDS, Service Tax and Value Added Tax which has not been deposited on account of any dispute.
- viii. According to the information and explanations given to us and the records examined by us, there are no such transactions which are not recorded in the books of account and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix.
 - (a) According to the information and explanations given to us and on the basis of our examination of the records of the

- Company, the Company did not have any loans or borrowings from any financial institution or bank during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable.
- (b) In our opinion and according to the information and explanations given to us, the company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
 - (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.
 - (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, no funds raised on short-term basis have been used for long-term purposes by the company.
 - (e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
 - (f) According to the information and explanations given to us and procedures performed by us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x. (a) The company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.
 - (b) According to the information and explanations given to us and the records examined by us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partially or optionally convertible) during the year and hence reporting under clause 3(x)(b) is not applicable to the company.
- xi. (a) According to the information and explanations given to us and the records examined by us, no fraud by the company and no material fraud on the company has been noticed or reported during the year.
 - (b) According to the information and explanations given to us and the records examined by us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- xii. In our opinion and according to the information and explanations given to us, the company is not a Nidhi Company. Therefore, reporting under paragraph 3(xii) of the Order is not applicable to the company.
- xiii. In our opinion and according to the information and explanations given to us and the records examined by us, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) 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.
 - (b) We have considered the internal audit reports of the company issued till date, for the period under audit.
- xv. In our opinion and according to the information and explanations given to us, during the year the company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company.
- xvi. (a) In our opinion and according to the information and explanations given to us, the company is registered under section 45-IA of the Reserve Bank of India Act, 1934.
 - (b) In our opinion and according to the information and explanations given to us, the company is registered as a Non Banking Financial Institution and already obtain the certificate of registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
 - (c) In our opinion and according to the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
 - (d) In our opinion and according to the information and explanations given to us, the Group has no CIC as part of the Group.
- xvii. In our opinion and according to the information and explanations given to us and the records examined by us, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that

this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. In our opinion and according to the information and explanations given to us and the records examined by us, no amount was required to be spent by the company on the activities of CSR, as per provisions of Companies Act, 2013. Accordingly, reporting under paragraph 3(xx) of the Order are not applicable to the company.

For **GARG ANIL & CO**
Chartered Accountants
Firm Registration No. 006308N

Date: 28/05/2022
Place: New Delhi

CA Anil Garg
Proprietor
Membership No. 085017
UDIN: 22085017AJUBMU4961

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Advik Capital Limited of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **ADVIK CAPITAL LIMITED** ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Management of the company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls Over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls System Over Financial Reporting

Meaning of Internal Financial Controls Over Financial Reporting

A company's Internal Financial Control Over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's Internal Financial Controls Over Financial Reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of Internal Financial Controls Over Financial Reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls Over Financial Reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **GARG ANIL & CO**
Chartered Accountants
Firm Registration No. 006308N

Date: 28/05/2022
Place: New Delhi

CA Anil Garg
Proprietor
Membership No. 085017
UDIN: 22085017AJUBMU4961

Standalone Balance Sheet as at March 31, 2022

(Rs. in lakhs)

| Particulars | Note No. | As at March 31, 2022 | As at March 31, 2021 |
|---|----------|----------------------|----------------------|
| I. ASSETS | | | |
| Financial Assets | | | |
| (a) Cash and Cash Equivalents | 3 | 6.79 | 1.61 |
| (b) Bank Balance other than Cash and cash equivalents | | - | - |
| (c) Trade Receivables | | - | - |
| (d) Loans | 4 | 731.00 | 605.00 |
| (e) Investments | 5 | 148.44 | 148.44 |
| (f) Other Financial Assets | 6 | 48.70 | 43.83 |
| | | 934.93 | 798.88 |
| Non-Financial Assets | | | |
| (a) Inventories | 7 | 91.63 | - |
| (b) Current Tax Assets (Net) | 8 | - | 2.58 |
| (c) Property, Plant and Equipment | 9 | 109.11 | 112.00 |
| (d) Capital Work-in-Progress | | - | - |
| (e) Other Non-Financial Assets | 10 | 118.32 | 4.97 |
| | | 319.06 | 119.55 |
| Total Assets | | 1,253.99 | 918.43 |
| II. LIABILITIES AND EQUITY | | | |
| Liabilities | | | |
| Financial Liabilities | | | |
| (a) Trade Payables | | | |
| (i) Total outstanding dues of MSME | | - | - |
| (ii) Total outstanding dues other than MSME | | - | - |
| (b) Borrowings | 11 | 288.70 | - |
| (c) Other Financial Liabilities | 12 | 0.99 | 1.43 |
| | | 289.69 | 1.43 |
| Non-Financial Liabilities | | | |
| (a) Current Tax Liabilities (Net) | 8 | 3.71 | - |
| (b) Deferred Tax Liabilities (Net) | 13 | 2.03 | 0.64 |
| (c) Other Non-Financial Liabilities | 14 | 6.10 | 5.03 |
| | | 11.84 | 5.67 |
| Equity | | | |
| (a) Equity Share Capital | 15 | 458.74 | 458.74 |
| (b) Other Equity | 16 | 493.72 | 452.59 |
| | | 952.46 | 911.33 |
| Total Liabilities and Equity | | 1,253.99 | 918.43 |
| Summary of significant accounting policies | 2 | | |
| Notes to Accounts | 1-37 | | |

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached
For **Garg Anil & Co.**
Chartered Accountants
Firm Reg. No.006308N

(Anil Garg)
Proprietor
M. No. 085017
UDIN: 22085017AJUBMU4961

Place: Delhi
Date: May 28, 2022

For and on behalf of the Board of
Advik Capital Limited

Shakul Kumar Agarwal
Whole Time Director
DIN:03590891

Virender Kumar Agarwal
Managing Director
DIN:00531255

Rashika Gupta
(Company Secretary)
PAN: BYIPG0832M

Madhur Bansal
(Chief Financial Officer)
PAN: BLHPB7356R

Standalone Statement of Profit and Loss for the year ended March 31, 2022

(Rs. in lakhs)

| Particulars | Note No. | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|----------|------------------------------|------------------------------|
| I. Revenue from Operations | | | |
| Interest Income | | 54.10 | 47.71 |
| Rental Income | | 9.00 | - |
| Fees and Commission Income | | 14.50 | - |
| Sale of Securities | | 3,871.92 | - |
| Total Revenue from Operations | | 3,949.52 | 47.71 |
| II. Other Income | 17 | - | 0.80 |
| III. Total Income (I+II) | | 3,949.52 | 48.51 |
| IV. Expenses | | | |
| (a) Finance costs | 18 | 0.02 | - |
| (b) Purchases of stock-in-trade | 19 | 3,944.10 | - |
| (c) Changes in inventories of stock-in-trade | 20 | (91.63) | - |
| (d) Employee benefits expenses | 21 | 31.15 | 32.15 |
| (e) Depreciation and amortization expenses | 22 | 2.89 | 0.12 |
| (f) Others expenses | 23 | 9.01 | 11.04 |
| Total Expenses (IV) | | 3,895.54 | 43.31 |
| V. Profit/(Loss) before exceptional items and tax (III-IV) | | 53.98 | 5.20 |
| VI. Exceptional items | | - | - |
| VII. Profit/ (Loss) before tax (V-VI) | | 53.98 | 5.20 |
| VIII. Tax Expense: | | | |
| Current tax | | 11.46 | 1.29 |
| Deferred tax liability/(assets) | | 1.39 | 0.01 |
| IX. Profit/ (Loss) for the period from continuing operations (VII-VIII) | | 41.13 | 3.90 |
| X. Profit/ (Loss) from discontinued operations | | - | - |
| XI. Profit/ (Loss) for the period (IX+X) | | 41.13 | 3.90 |
| XII. Other Comprehensive Income | | | |
| (A) (i) Items that will not be reclassified to profit or loss | | - | - |
| (ii) Income Tax effect on herein above | | - | - |
| (B) (i) Items that will be reclassified to profit or loss | | - | - |
| (ii) Income Tax effect on herein above | | - | - |
| Total Other Comprehensive Income (A+B) | | - | - |
| XIII. Total Comprehensive Income/ (Loss) for the period (XI+XII) | | 41.13 | 3.90 |
| Nominal Value per Equity Share | | 1 | 1 |
| Earning per Equity Share - Basic | 24 | 0.09 | 0.01 |
| Earning per Equity Share - Diluted | 24 | 0.09 | 0.01 |
| Summary of significant accounting policies | 2 | | |
| Notes to Accounts | 1-37 | | |

The accompanying notes form an integral part of the financial statements.

 As per our report of even date attached
 For **Garg Anil & Co.**
 Chartered Accountants
 Firm Reg. No.006308N

 For and on behalf of the Board of
Advik Capital Limited
(Anil Garg)
 Proprietor
 M. No. 085017
 UDIN: 22085017AJUBMU4961

Shakul Kumar Agarwal
 Whole Time Director
 DIN:03590891

Virender Kumar Agarwal
 Managing Director
 DIN:00531255

 Place: Delhi
 Date: May 28, 2022

Rashika Gupta
 (Company Secretary)
 PAN: BYIPG0832M

Madhur Bansal
 (Chief Financial Officer)
 PAN: BLHPB7356R

Standalone Statement of Cash Flow for the year ended March 31, 2022

(Rs. in lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| (A) CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net Profit/ (Loss) before tax | 53.98 | 5.20 |
| Adjustments for: | | |
| Depreciation and Amortisation Expenses | 2.89 | 0.12 |
| (Profit)/ Loss on Sale of Fixed Assets | - | (0.80) |
| Operating profit/ (loss) before working capital changes | 56.87 | 4.52 |
| Changes in working capital: | | |
| (increase)/ decrease in Loans | (126.00) | (25.74) |
| (increase)/ decrease in Other Financial Assets | (4.87) | 20.11 |
| (increase)/ decrease in Inventories | (91.63) | - |
| (increase)/ decrease in Other Non-Financial Assets | (113.35) | 1.10 |
| increase/ (decrease) in Other Financial Liabilities | (0.45) | (0.94) |
| increase/ (decrease) in Other Non-Financial Liabilities | 1.07 | 2.50 |
| Cash generated from operations | (278.36) | 1.55 |
| Net income tax paid (Net of refunds) | (5.16) | (3.88) |
| Net Cash from Operating Activities | (283.52) | (2.33) |
| (B) CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from disposal of Property, Plant and Equipment | - | 3.05 |
| Purchase of Property, Plant and Equipment | - | - |
| (Increase)/ Decrease in Other Bank Balances | - | - |
| Net Cash Generated/(Used) In Investing Activities | - | 3.05 |
| (C) CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from Issue of Equity Share Capital | - | - |
| Increase/ (Decrease) in Borrowings | 288.70 | - |
| Net Cash from Financing Activities | 288.70 | - |
| Net increase/ (decrease) in Cash and cash equivalents (A+B+C) | 5.18 | 0.72 |
| Cash and cash equivalents at the beginning of the year | 1.61 | 0.89 |
| Cash & Cash Equivalents at the end of the year | 6.79 | 1.61 |
| Components of Cash and Cash Equivalents | | |
| Particulars | As at March 31, 2022 | As at March 31, 2021 |
| Cash in hand | 4.07 | 1.24 |
| Balances with banks and financial institutions | | |
| Balance with banks in current accounts | 2.72 | 0.37 |
| Deposit with Original Maturity of less than three months | - | - |
| Total | 6.79 | 1.61 |

The above statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.

As per our report of even date attached
For **Garg Anil & Co.**
Chartered Accountants
Firm Reg. No.006308N

For and on behalf of the Board of
Advik Capital Limited

(Anil Garg)
Proprietor
M. No. 085017
UDIN: 22085017AJUBMU4961

Shakul Kumar Agarwal
Whole Time Director
DIN:03590891

Virender Kumar Agarwal
Managing Director
DIN:00531255

Place: Delhi
Date: May 28, 2022

Rashika Gupta
(Company Secretary)
PAN: BYIPG0832M

Madhur Bansal
(Chief Financial Officer)
PAN: BLHPB7356R

Standalone Statement of Change in Equity as at March 31, 2022

A. Equity Share Capital (Rs. in lakhs)

| Particulars | No. of Shares | Amount |
|---|--------------------|---------------|
| As at April 01, 2020 | 4,58,73,600 | 458.74 |
| Changes in Equity Share Capital due to prior period errors | - | - |
| Restated balance at the beginning of the current reporting period | 4,58,73,600 | 458.74 |
| Changes in the equity share capital during the year | - | - |
| As at March 31, 2021 | 4,58,73,600 | 458.74 |
| Changes in Equity Share Capital due to prior period errors | - | - |
| Restated balance at the beginning of the current reporting period | - | - |
| Changes in the equity share capital during the year | - | - |
| As at March 31, 2022 | 4,58,73,600 | 458.74 |

B. Other Equity (Rs. in lakhs)

| Particulars | Amalgamation Reserve | Security Premium | Retained Earnings | Special Reserve as per RBI Norms |
|--|---|---------------------|--|----------------------------------|
| | (A) | (B) | (C) | (D) |
| As at April 01, 2020 | 44.17 | 357.20 | 34.76 | 7.00 |
| Profit for the Year | - | - | 3.90 | - |
| Transfer to Special Reserve | - | - | (0.78) | - |
| Transfer to Contingency Reserve | - | - | (0.03) | - |
| Transfer to Reserve for Bad & Doubtful Debts | - | - | (0.26) | - |
| Transfer from Retained Earnings | - | - | - | 0.78 |
| As at March 31, 2021 | 44.17 | 357.20 | 37.59 | 7.78 |
| Profit for the Year | - | - | 41.13 | - |
| Transfer to Special Reserve | - | - | (8.23) | - |
| Transfer to Contingency Reserve | - | - | (0.33) | - |
| Transfer to Reserve for Bad & Doubtful Debts | - | - | (2.06) | - |
| Transfer from Retained Earnings | - | - | - | 8.23 |
| As at March 31, 2022 | 44.17 | 357.20 | 68.10 | 16.01 |
| Particulars | Reserve for bad & doubtful debts as per income tax provisions | Contingency Reserve | Other items of Other Comprehensive Incomes | Total |
| | (E) | (F) | (G) | (A to G) |
| As at April 01, 2020 | 3.97 | 1.59 | - | 448.69 |
| Profit for the Year | - | - | - | 3.90 |
| Transfer to Special Reserve | - | - | - | (0.78) |
| Transfer to Contingency Reserve | - | - | - | (0.03) |
| Transfer to Reserve for Bad & Doubtful Debts | - | - | - | (0.26) |
| Transfer from Retained Earnings | 0.26 | 0.03 | - | 1.07 |
| As at March 31, 2021 | 4.23 | 1.62 | - | 452.59 |
| Profit for the Year | - | - | - | 41.13 |
| Transfer to Special Reserve | - | - | - | (8.23) |
| Transfer to Contingency reserve | - | - | - | (0.33) |
| Transfer to Reserve for Bad & Doubtful Debts | - | - | - | (2.06) |
| Transfer from Retained Earnings | 2.06 | 0.33 | - | 10.62 |
| As at March 31, 2022 | 6.29 | 1.95 | - | 493.72 |

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached
 For **Garg Anil & Co.**
 Chartered Accountants
 Firm Reg. No.006308N

For and on behalf of the Board of
Advik Capital Limited

(Anil Garg)
 Proprietor
 M. No. 085017
 UDIN: 22085017AJUBMU4961

Shakul Kumar Agarwal
 Whole Time Director
 DIN:03590891

Virender Kumar Agarwal
 Managing Director
 DIN:00531255

Place: Delhi
 Date: May 28, 2022

Rashika Gupta
 (Company Secretary)
 PAN: BYIPG0832M

Madhur Bansal
 (Chief Financial Officer)
 PAN: BLHPB7356R

Notes on Standalone Financial Statements for the year ended March 31, 2022

1. (A) BACKGROUND

Our Company, Advik Capital Limited (hereafter "Advik Capital/ Company", was originally incorporated as 'Quick Credit Limited' in New Delhi on November 14, 1985 as a public limited company under the Companies Act, 1956, and was granted the certificate of incorporation by the Registrar of Companies, Delhi and Haryana at New Delhi. Our Company was granted the Certificate for Commencement of Business on November 20, 1985 by the Registrar of Companies, Delhi and Haryana at New Delhi. Subsequently, the name of our Company was changed to 'DU-Lite Industries Limited' and a fresh Certificate of Incorporation was granted by the Registrar of Companies, Delhi and Haryana at New Delhi on September 20, 2010. The name of the Company was changed again to 'Advik Industries Limited' and our Company received a fresh certificate of incorporation which was granted by the Registrar of Companies, Delhi and Haryana at New Delhi on February 24, 2011. Finally, the name of our Company was changed to 'Advik Capital Limited' and a fresh certificate of incorporation consequent upon change of name was granted by the Registrar of Companies, Delhi at Delhi on July 7, 2017. Our Company was registered as Non-Banking Financial Company vide certificate of registration dated January 7, 2003 bearing No. B- 14.00724 under section 45 I(A) of the Reserve Bank of India Act, 1934. Advik Capital is currently a company listed on BSE. Our Company is a non-deposit taking Non-Banking Financial Company registered with the RBI. Our Company is engaged primarily in the business of providing financial loans and in providing ancillary services related to the said business activities.

(B) STATEMENT OF COMPLIANCE

The financial statements for the year ended March 31, 2022 have been prepared by the Company in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, and other applicable regulatory norms/guidelines/framework. The Standalone Balance Sheet, Statement of Profit and Loss and Statement of Changes in Equity are prepared and presented as per the requirements of Division III of Schedule III to the Companies Act, 2013 applicable for Non-Banking Financial Companies (NBFC).

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in preparation of the Standalone Financial Statements are as given below:

2.1 Basis of Preparation of Financial Statements

These Standalone Financial Statements have been prepared on going concern basis following accrual system of accounting. The assets and liabilities have been measured at historical cost or at amortised cost or at fair value at the end of each reporting period.

2.2 Basis of Measurement

The financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, defined benefit plan – plan assets measured at fair value, assets held for sale which is measured at lower of cost or fair value less cost of sale. Historical cost is generally based on the fair value of the consideration given for goods and services.

Fair value measurements are categorised into Level 1, 2 or 3 as per Ind AS requirement, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Property, Plant and Equipment and Investment Property

Recognition and Measurement

Property, plant and equipment held for use or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. The cost includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Assets having individual value of less than ₹ 5,000/- are charged to statement of Profit and Loss in the year of purchase.

Investment Property consists of building let out to earn rentals. The Company follows cost model for measurement of investment property.

Depreciation

Depreciation is provided using the written down value method over the useful life as prescribed under Schedule II to the Companies Act, 2013. Depreciation is calculated on pro-rata basis, including the month of addition and excluding the month of sale/disposal. Leasehold improvements are amortised over the underlying lease term on a straight line basis. Residual value in respect of Buildings and Vehicles is considered as 5% of the cost and in case of other assets 'Nil'.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

De-recognition

An item of property, plant and equipment or investment property is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment or investment property is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Capital work-in-progress

Capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses to acquire property, plant and equipment. Assets that are not ready to intended use are also shown under capital work-in-progress.

2.4 Intangible Assets**Recognition and measurement**

Intangible assets are recognized at cost of acquisition which includes all expenditure that can be directly attributed or allocated on a reasonable and consistent basis, to create, produce or making the asset ready for its intended use.

Amortisation

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

De-recognition

An intangible asset is de-recognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de- recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss when the asset is de-recognized.

2.5 Revenue Recognition**Interest income on loans**

The Company recognizes interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortized cost or fair value through other comprehensive income (FVOCI). EIR is calculated by considering any fees and all incremental costs that are directly attributable to acquisition of a financial asset and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset to the gross carrying amount of a financial asset or to the amortized cost of a financial liability.

The Company recognizes interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets regarded as 'Stage 3', the Company recognizes interest income on the net amortized cost of financial assets at EIR. If financial asset is no longer credit-impaired Company reverts to calculating interest income on a gross basis.

Additional interest/overdue interest/penal charges are recognized only when it is reasonably certain that the ultimate collection will be made.

Commission income

Income from business correspondent services is recognized as and when the services are rendered as per agreed terms and conditions of the contract.

Dividend Income

Dividend income is recognized at the time when the right to receive is established by the reporting date.

Miscellaneous Income

All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realization/ collection.

2.6 Borrowing costs

Borrowing costs consists of interest and other cost that the Company incurred in connection with the borrowing of funds. Borrowing costs charged to the Statement of Profit and Loss on the basis of effective interest rate method.

2.7 Income Taxes**Current tax**

Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961. Current tax comprises the tax payable on the taxable income or loss for the year and any adjustment to the tax payable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and liability on a net basis.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income. Deferred tax is measured at the tax rates based on the laws that have been enacted or substantively enacted by the reporting date, based on the expected manner of realisation or settlement of the carrying amount of assets/liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against liabilities, and they relate to income taxes levied by the same tax authority.

A deferred tax liability is recognised for all taxable temporary differences. A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.8 Employee benefits

Short term employee benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Other long term employee benefits

Benefits under the Company's leave encashment constitute other long term employee benefits. The Company's net obligation in respect of leave encashment is the amount of future benefit that employees have present value, and the fair value of any related assets is deducted. The calculation is performed using the projected unit credit method. Any gains or losses are recognized in profit or loss in the period in which they arise.

2.9 Cash and Cash Equivalent

Cash and comprises cash on hand and demand deposits. The Company considers cash equivalents as all short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2.10 Equity Investment in Subsidiaries

Investments representing equity interest in subsidiaries are accounted for at cost in accordance with Ind AS 27 Separate Financial Statements.

2.11 Provisions contingent assets and contingent liabilities

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

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

Contingent assets are not recognized but disclosed where an inflow of economic benefits is probable.

2.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

The Company as lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

2.13 Foreign currency**Functional And presentation currency**

Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements have been prepared and presented in Indian Rupees (INR), which is the Company's functional and presentation currency.

Transaction and Balances

Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the Statement of Profit and Loss in the year in which they arise.

2.14 Segment reporting

The Company identifies segment basis of the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are regularly reviewed by the CODM ('chief operating decision maker') and in assessing performance. The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship with the operating activities of the segment.

2.15 Use of Judgements and Estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities and assets) as on the date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

2.16 Earning Per Share

Basic earnings per equity share is calculated by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

To calculate diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.17 Dividends

Final dividends are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Board of Directors of the Company.

2.18 Impairment of Non-Financial Assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses are recognised in profit and loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.19 Impairment of Financial Assets

The Company recognises impairment allowances for ECL on all the financial assets that are not measured at FVTPL:

Financial assets that are debt instruments

Lease receivables

Financial guarantee contracts issued

Loan commitment issued

No impairment loss is recognised on equity investments

ECL are probability weighted estimate of credit losses. They are measured as follows:

Financial assets that are not credit impaired- as the present value of all cash shortfalls that are possible within 12 months after the reporting date.

Financial assets with significant increase in credit risk but not credit impaired – as the present value of all cash shortfalls that result from all possible default events over the expected life of the financial asset.

Financial assets that are credit impaired – as the difference between the gross carrying amount and the present value of estimated cash flows

With respect to trade receivables and other financial assets, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For financial assets at FVTOCI, the loss allowance is recognised in OCI.

Loan assets- The Company follows a ‘three-stage’ model for impairment based on changes in credit quality since initial recognition as summarized below:

Stage 1 includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.

Stage 2 includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.

Stage 3 includes loan assets that have objective evidence of impairment at the reporting date.

The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets.

Write-off

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

2.20 Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

(A) Non-derivative financial assets

Subsequent Measurement

Financial assets carried at amortized cost – a financial asset is measured at the amortized cost if both the following conditions are met:

The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in interest income in the Statement of Profit and Loss.

Financial assets (debt instruments e.g. loans) are measured at FVOCI when both of the following conditions are met:

The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets.

The contractual terms of the financial asset meet the SPPI test.

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Interest income are recognized in profit or loss in the same manner as for financial assets measured at amortized cost.

Financial assets measured at FVPL – FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL, with all changes recognized in the P&L.

Derecognition of Financial Assets

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are de-recognized (i.e. removed from the Company's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Company has not retained control, it shall also de-recognize the financial asset and recognize separately as assets or liabilities any rights and obligations created or retained in the transfer.

(B) Non Derivatives Financial Liabilities**Subsequent Measurement**

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortized cost using the effective interest method.

Derecognition of Financial Liabilities

A financial liability is de-recognized when the obligation under the liability is discharged or canceled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-Recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

2.21 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date using valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured are categorized with fair value hierarchy into Level I, Level II and Level III based on level of input.

2.22 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when the Company has a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Note No.3: Cash and Cash Equivalents

(Rs. in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| Cash in hand | 4.07 | 1.24 |
| Balances with banks and financial institutions | | |
| Balance with banks in current accounts | 2.72 | 0.37 |
| Deposit with original maturity of less than three months | - | - |
| Total | 6.79 | 1.61 |

Note No.4: Loans

(Rs. in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|----------------------------|----------------------|----------------------|
| At Amortised cost | | |
| Unsecured, considered good | | |
| Loans repayable on demand | 731.00 | 605.00 |
| Term loans | - | - |
| Total | 731.00 | 605.00 |

a) Other Details

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| Secured by property, plant and equipment including land and building | - | - |
| Secured by book debts, inventories, margin money and other working capital items | - | - |
| Unsecured | 731.00 | 605.00 |
| Total | 731.00 | 605.00 |
| Loans in India | | |
| Public Sector | | |
| Others | 731.00 | 605.00 |
| Total | 731.00 | 605.00 |

b) Loans with specified parties:

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|----------------------------|----------------------|----------------------|
| Promoters | Nil | Nil |
| Directors | Nil | Nil |
| Key Management Personnel's | Nil | Nil |
| Other Related Parties | Nil | Nil |
| Total | Nil | Nil |

Note No.5 : Investments

(Rs. in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|----------------------------------|----------------------|----------------------|
| Investment in Equity Instruments | 148.44 | 148.44 |
| Investment in Other Instruments | - | - |
| Total | 148.44 | 148.44 |

a) Investments in subsidiaries, associates and joint ventures

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| Investments measured at Amortise Cost | | |
| (a) Quoted | | |
| (b) Unquoted | | |
| (i) Subsidiaries | | |
| Advik Optoelectronics Limited (869800 Equity Shares of Rs.10 representing 57.99% holding) | 148.44 | 148.44 |
| (ii) Associates | | - |
| (iii) Joint Ventures | - | - |
| Total | 148.44 | 148.44 |
| (i) Investments in India | 148.44 | 148.44 |
| (ii) Investments outside India | - | - |
| Total | 148.44 | 148.44 |

b) Carrying value and market value of quoted and unquoted investments are as below:

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| (a) Investment in subsidiary companies | | |
| Aggregate carrying value of quoted investments | - | - |
| Aggregate market value of quoted investments | - | - |
| Aggregate carrying value of unquoted investments | 148.44 | 148.44 |
| (b) Investment in associate companies | - | - |
| (c) Investment in joint ventures | - | - |
| Total | 148.44 | 148.44 |

Note No.6 : Other Financial Assets

(Rs. in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|----------------------------|----------------------|----------------------|
| Unsecured, considered good | - | - |
| Accrued Income | 48.70 | 43.83 |
| Total | 48.70 | 43.83 |

Note No.7 : Inventories

(Rs. in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|----------------------|----------------------|
| (As valued and certified by the management) | - | - |
| Securities held for trade | 91.63 | - |
| Total | 91.63 | - |

Note No.8 : Current Tax Assets/ (Liabilities) (Net)

(Rs. in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|------------------------------|----------------------|----------------------|
| Income Tax Liabilities (Net) | (3.71) | 2.58 |
| | - | - |
| Total | (3.71) | 2.58 |

Note No 9 : Property, Plant and Equipment's

(Rs. in lakhs)

| Gross Block | Tangible Assets | | | | | | | Intangible Assets (B) | Total (A+B) |
|-----------------------------|-----------------|---------------|-------------------|-------------|------------------------|--------------------|----------|-----------------------|---------------|
| | Land | Building | Plant & Machinery | Computer | Furniture and Fixtures | Office Equipment's | Vehicles | | |
| As at April 1, 2020 | - | 111.28 | - | 2.91 | 0.89 | 3.78 | 43.16 | 162.02 | 162.02 |
| Addition | - | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | 43.16 | 43.16 | 43.16 |
| As at March 31, 2021 | - | 111.28 | - | 2.91 | 0.89 | 3.78 | - | 118.86 | 118.86 |
| Addition | - | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - | - | - |
| As at March 31, 2022 | - | 111.28 | - | 2.91 | 0.89 | 3.78 | - | 118.86 | 118.86 |

| Accumulated Depreciation | Tangible Assets | | | | | | | Intangible Assets (B) | Total |
|-----------------------------|-----------------|-------------|-------------------|-------------|------------------------|--------------------|----------|-----------------------|-------------|
| | Land | Building | Plant & Machinery | Computer | Furniture and Fixtures | Office Equipment's | Vehicles | | |
| As at April 1, 2020 | - | - | - | 2.79 | 0.83 | 3.12 | 40.91 | 47.65 | 47.65 |
| for the period | - | - | - | 0.02 | 0.01 | 0.09 | - | 0.12 | 0.12 |
| Adjustments | - | - | - | - | - | - | 40.91 | 40.91 | 40.91 |
| As at March 31, 2021 | - | - | - | 2.81 | 0.84 | 3.21 | - | 6.86 | 6.86 |
| for the period | - | 2.70 | - | - | 0.01 | 0.18 | - | 2.89 | 2.89 |
| Adjustments | - | - | - | - | - | - | - | - | - |
| As at March 31, 2022 | - | 2.70 | - | 2.81 | 0.85 | 3.39 | - | 9.75 | 9.75 |

| Net Carrying Value | Tangible Assets | | | | | | | Intangible Assets (B) | Total |
|-----------------------------|-----------------|---------------|-------------------|-------------|------------------------|--------------------|----------|-----------------------|---------------|
| | Land | Building | Plant & Machinery | Computer | Furniture and Fixtures | Office Equipment's | Vehicles | | |
| As at March 31, 2021 | - | 111.28 | - | 0.10 | 0.05 | 0.57 | - | 112.00 | 112.00 |
| As at March 31, 2022 | - | 108.58 | - | 0.10 | 0.04 | 0.39 | - | 109.11 | 109.11 |

Note No.10: Other Non Financial Assets

(Rs. in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|-------------------------------------|-------------------------|-------------------------|
| Unsecured, considered good | | |
| Balance with government authorities | | |
| Goods and Services Tax | 3.75 | - |
| Others authorities | 2.41 | 4.97 |
| Security Deposits | 49.68 | - |
| Advances with Trade Payable | 15.42 | - |
| Prepaid Expenses | 44.65 | - |
| Others | 2.41 | - |
| Total | 118.32 | 4.97 |

Security deposits are primarily in relation to public utility services and/or with depositories, exchanges and other similar entities.

There are no outstanding debts from directors or other officers of the Company.

Note No.11 : Borrowings

(Rs. in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|-----------------------------|-------------------------|-------------------------|
| Unsecured Loans | | |
| (a) Loan form Related Party | | |
| Loan form Directors | 108.70 | - |
| (b) Repayable on demand | | |
| Intercorporate Loans | 180.00 | - |
| Total | 288.70 | - |
| (a) With in India | 288.70 | - |
| (b) Outside India | - | - |
| Total | 288.70 | - |

Note No.12: Other Financial Liabilities

(Rs. in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Creditors for other Liabilities/Expenses | 0.99 | 1.43 |
| Total | 0.99 | 1.43 |

Ageing

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Disputed due - MSME | Nil | Nil |
| Disputed due - Others | Nil | Nil |
| Undisputed due - MSME | Nil | Nil |
| Undisputed due - Others | Nil | Nil |
| Outstanding for following period from due date of payment | | |
| Less than 1 year | 0.99 | 1.43 |
| 1-2 years | Nil | Nil |
| 2-3 years | Nil | Nil |
| More than 3 years | Nil | Nil |
| Total | 0.99 | 1.43 |

Note No.13 : Deferred Tax Liability (Net)

(Rs. in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| (a) Deferred Tax Assets | | |
| Employee benefits and Other Expenses u/s 43B | | |
| On Account of Depreciation of Property Plant and Equipment | 2.03 | 0.64 |
| (b) Deferred Tax Liability | - | - |
| Net deferred tax assets/ (liability) (a-b) | 2.03 | 0.64 |

Note No.14 : Non-Financial Liabilities

(Rs. in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|----------------------------------|----------------------|----------------------|
| Advances received form customers | - | - |
| Salary and Bonus Payable | 2.00 | 1.33 |
| Statutory Dues | 4.10 | 1.20 |
| Security Received | - | 2.50 |
| Total | 6.10 | 5.03 |

Note No.15 : Equity Share Capital

(Rs. in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|----------------------|----------------------|
| Authorized Share Capital | | |
| 25,00,00,000 Equity Shares (Previous Year: 4,58,73,600) | | |
| Par Value of Each Equity Share is Re.1/- | 2,500.00 | 458.74 |
| | 2,500.00 | 458.74 |
| Issued Share Capital | | |
| 4,58,73,600 Equity Shares (Previous Year: 4,58,73,600) | | |
| Par Value of Each Equity Share is Re.1/- | 458.74 | 458.74 |
| | 458.74 | 458.74 |
| Subscribed and Fully Paid-up | | |
| 4,58,73,600 Equity Shares (Previous Year: 4,58,73,600) | | |
| Par Value of Each Equity Share is Re.1/- | 458.74 | 458.74 |
| TOTAL | 458.74 | 458.74 |

a) The details of Shareholders holding more than 5% shares :

| Name of the Shareholders | As at March 31, 2022 | | As at March 31, 2021 | |
|----------------------------|----------------------|--------|----------------------|--------|
| | No. of shares | % held | No. of shares | % held |
| Virender Kumar Agarwal | 1,38,00,000 | 30.08% | 1,72,36,600 | 37.57% |
| Shakul Kumar Agarwal | 35,84,000 | 7.81% | 35,84,000 | 7.81% |
| Manju Agarwal | | | 33,96,000 | 7.40% |
| Virender Kumar Agarwal HUF | | | 23,97,500 | 5.23% |

b) Shareholding of promoters of the Company:

| Name of the Shareholders | As at March 31, 2022 | | (% of change during the year) | As at March 31, 2021 | |
|----------------------------|----------------------|--------|-------------------------------|----------------------|--------|
| | No. of shares | % held | | No. of shares | % held |
| Virender Kumar Agarwal | 13800000 | 30.08% | (7.49%) | 1,72,36,600 | 37.57% |
| Shakul Kumar Agarwal | 3584000 | 7.81% | - | 35,84,000 | 7.81% |
| Manju Agarwal | - | - | (7.40%) | 33,96,000 | 7.40% |
| Virender Kumar Agarwal HUF | - | - | (5.23%) | 23,97,500 | 5.23% |
| Rishab Kumar Agarwal | - | - | (1.05%) | 4,82,036 | 1.05% |

c) The reconciliation of the number of shares outstanding as at year end is set out below :

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| | No. of shares | No. of shares |
| Equity Shares at the beginning of the year | 4,58,73,600 | 4,58,73,600 |
| Add : Fresh Equity Shares allotted during the year | - | - |
| Add : Bonus Shares allotted during the year | - | - |
| Less : Equity Shares forfeited/ buy-back during the year | - | - |
| Equity Shares at the end of the year | 4,58,73,600 | 4,58,73,600 |

Notes on Standalone Financial Statements for the year ended March 31, 2022

d) The Company has not issued any Bonus Share's during the last five Financial Years.

e) The Company has not buy-back any Share's during the last five Financial Years.

f) The Company has not forfeited Share's during the last five Financial Years.

g) The Company has not issued any securities, which convertible into equity shares.

h) Terms attached to Equity Shares

The rights, powers and preference relating to each class of share and the qualifications limitations and restrictions thereof are contained in the Memorandum and Articles of Association of the Company.

The Company has only one class of Equity Shares having a par value of Rs.10 per shares. Each holder of equity shares is entitled to one vote per share. Any shareholder whose name is entered in the Register of Members of the company shall enjoy the same rights and be subject to the same liabilities as all other shareholders of the same class.

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of winding up/ liquidation of the company, Equity Shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. For the said purpose, the liquidator may set such value as he deems fair upon any property to be divided and may determine how such division shall be carried out between the members.

Note No.16 : Other Equity

(Rs. in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| (A) Reserves and Surplus | | |
| (a) Amalgamation Reserve | | |
| Opening Balance | 44.17 | 44.17 |
| Add : Received/ utilised during the year | - | - |
| Total (a) | 44.17 | 44.17 |
| (b) Security Premium | | |
| Opening Balance | 357.20 | 357.20 |
| Add : Received/ utilised during the year | - | - |
| Total (b) | 357.20 | 357.20 |
| (c) Retained Earnings | | |
| Balance at the beginning of the year | 37.59 | 34.76 |
| Add : Profit/(Loss) for the year | 41.13 | 3.90 |
| Less : Special Reserve | 8.23 | 0.78 |
| Less : Reserve for Bad & Doubtful Debts | 2.06 | 0.26 |
| Less : Contingency Reserve | 0.33 | 0.03 |
| Total (c) | 68.10 | 37.59 |
| (d) Special Reserve* | | |
| Opening Balance | 7.78 | 7.00 |
| Add : Received/ utilised during the Year | 8.23 | 0.78 |
| Total (d) | 16.01 | 7.78 |
| (e) Reserve for Bad & Doubtful Debts® | | |
| Opening Balance | 4.23 | 3.97 |
| Add : Received/ utilised during the Year | 2.06 | 0.26 |
| Total (e) | 6.29 | 4.23 |
| (f) Contingency Reserve [§] | | |
| Opening Balance | 1.62 | 1.59 |
| Add/ (less) during the Year | 0.33 | 0.03 |
| Total (f) | 1.95 | 1.62 |
| Total (a+b+c+d+e+f) | 493.72 | 452.59 |
| (B) Equity Instruments through Other Comprehensive Incomes | - | - |
| (C) Other Items of Other Comprehensive Incomes | - | - |
| Total (A+B+C) | 493.72 | 452.59 |

*Special Reserve as per RBI Norms

As per Section 45-IC (1) of Reserve Bank of India Act, 1934, every non-banking financial company shall create a reserve fund and transfer therein a sum not less than twenty per cent. of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

® Reserve for Bad & Doubtful Debts As per Income Tax Provisions

Reserve for Bad & doubtful debts has been created as per provisions of Section 36(1)(vii)(d) of Income Tax Act, 1961

§ Contingent Reserve

The provision towards standard assets based on IRACP norms of RBI.

Note No.17 : Other Incomes

(Rs. in lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--------------------------------|------------------------------|------------------------------|
| Profit on Sale of Fixed Assets | - | 0.80 |
| Other Non-Operating Incomes | - | - |
| Total | - | 0.80 |

Note No. 18 : Finance Costs

(Rs. in lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|-----------------------------|------------------------------|------------------------------|
| Interest on Unsecured Loans | - | - |
| Other Financial Charges | 0.02 | - |
| Total | 0.02 | - |

Note No. 19 : Purchases of Stock-in-Trade

(Rs. in lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|-------------------------|------------------------------|------------------------------|
| Purchases of Securities | 3,944.10 | - |
| Total | 3,944.10 | - |

Note No. 20 : Change in Inventories of Finished Goods, WIP and Stock-in-Trade

(Rs. in lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---------------------------|------------------------------|------------------------------|
| Opening Stock | | |
| Securities held for trade | - | - |
| | - | - |
| Closing Stock | | |
| Securities held for trade | 91.63 | - |
| | 91.63 | - |
| Total | (91.63) | - |

Note No. 21 : Employee Benefit Expenses

(Rs. in lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---------------------------------|------------------------------|------------------------------|
| Salaries, Wages and Bonus | 17.52 | 13.71 |
| Director Remuneration | 13.50 | 18.00 |
| Staff Welfare and Other Expense | 0.13 | 0.44 |
| Total | 31.15 | 32.15 |

Note No. 22 : Depreciation and Amortisation Expenses

(Rs. in lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|-----------------------------------|------------------------------|------------------------------|
| Depreciation on Tangible Assets | 2.89 | 0.12 |
| Amortisation on Intangible Assets | - | - |
| Total | 2.89 | 0.12 |

Note No. 23 : Other Expenses

(Rs. in lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Repair & Maintenance to others | - | 0.28 |
| Insurance Expenses | 0.03 | - |
| Rates and Taxes | 0.12 | 5.17 |
| Audit Fee | 0.21 | 0.25 |
| Business Promotional Expenses | 0.05 | 0.99 |
| Fee and Subscriptions | 3.71 | 0.48 |
| Professional, Consultancy and Legal Expenses | 1.39 | 2.32 |
| Telephone and Internet Expenses | 0.10 | - |
| Travelling and Conveyance | 0.21 | 0.34 |
| Vehicle Running & Maintenance | - | 1.04 |
| Other Miscellaneous Expenses | 3.19 | 0.17 |
| Total | 9.01 | 11.04 |

Note No. 24: Earning per Share

(Rs. in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| Basic | | |
| Weighted average no. of Equity Shares outstanding | 4,58,73,600 | 4,58,73,600 |
| Net Profit After Tax | 41.13 | 3.89 |
| Basic Earnings per Share | 0.09 | 0.01 |
| Diluted Earnings per Share | | |
| Weighted average no. of Equity Shares outstanding | 4,58,73,600 | 4,58,73,600 |
| Adjusted Profit After Tax attributable to Equity Share Holders (Rs.) | 41.13 | 3.89 |
| Diluted Earnings per Share | 0.09 | 0.01 |
| Nominal Value per Share | 1.00 | 1.00 |

Note No.25 : Contingent liabilities and commitments (to the extent not provided for)

(Rs. in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| Contingent liabilities | | |
| Claims against the Company not acknowledged as debt | Nil | Nil |
| Collateral Security against subsidiaries | 142.84 | Nil |
| Other money for which the Company is contingently liable | Nil | Nil |
| Commitments | Nil | Nil |

Note No.26 : Foreign Currency Transactions Details

(Rs. in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|----------------------|----------------------|
| Expenditure in Foreign Currency: | | |
| Travelling Expenses | | |
| Professional and Consultancy | Nil | Nil |
| Other Matters | Nil | Nil |
| Earning In Foreign Currency: | | |
| Professional and Consultancy | | |
| Other Matters | Nil | Nil |
| Assets | Nil | Nil |
| Liabilities | Nil | Nil |

Note No.27: Tax Expenses

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Current Tax | 11.46 | 1.29 |
| Income Tax for Earlier years | - | - |
| Deferred Tax (Credit)/ charge | 1.39 | 0.01 |
| Tax Expenses reported in the Statement of Profit and Loss Account | 12.85 | 1.30 |

The major components of tax expense and its reconciliation to expected tax expense based on the enacted tax rate applicable to the Company is 25.168% (March 31, 2021: 25.168%) and the reported tax expense in statement of profit and loss are as follows:

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Accounting (loss)/ profit before tax expenses | 53.98 | 5.20 |
| Income tax rate | 25.168% | 25.168% |
| Expected tax expenses | 13.59 | 1.30 |
| Tax effect of adjustments to reconcile expected income tax expenses to reported income tax expenses | | |
| Tax impact of expenses which is non deductible | - | - |
| Tax impact on items exempt under income tax | - | - |
| Impact of change in tax rates | - | - |
| Income tax for earlier years | - | - |
| Others | (0.74) | |
| Tax Expenses | 12.85 | 1.30 |

Note No. 28 : Details of dues to Micro and Small Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006.

(Rs. in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| Principal amount remaining unpaid to any supplier as at the end of the accounting year. | Nil | Nil |
| Interest due thereon remaining unpaid to any supplier as at the end of the accounting year. | Nil | Nil |
| The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day . | Nil | Nil |
| The amount of interest due and payable for the year. | Nil | Nil |
| The amount of interest accrued and remaining unpaid at the end of the accounting year. | Nil | Nil |
| The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid. | Nil | Nil |

Note No.29: Capital Management

The primary objective of the Company's capital management policy is to ensure that the Company complies with capital adequacy requirements required by the Reserve Bank of India and maintain strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholders value.

The Company's capital management objectives are :

- to ensure the Company's ability to continue as a going concern
- to comply with externally imposed capital requirement and maintain strong credit ratings
- to provide an adequate return to shareholders

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the sub-ordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets (including investments in Subsidiary companies). In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---------------------------------|----------------------|----------------------|
| Net Debt* | 281.91 | - |
| Total Equity | 944.22 | 905.48 |
| Net debt to equity ratio | 0.30 | - |

* Net debt includes debt securities + borrowings other than debt securities + sub-ordinated liabilities + interest accrued – cash and cash equivalents – bank balances other than cash and cash equivalents.

Note No. 29A: Maturity Analysis Of Assets And Liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities.

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|--|----------------------|-----------------|----------------------|-----------------|
| | Within 12 Months | After 12 Months | Within 12 Months | After 12 Months |
| ASSETS | | | | |
| Financial Assets | | | | |
| (a) Cash and Cash Equivalents | 6.79 | - | 1.61 | - |
| (b) Bank Balances other than Cash and cash equivalents | - | - | - | - |
| (c) Trade Receivables | - | - | - | - |
| (d) Loans | 731.00 | - | 605.00 | - |
| (e) Investments | - | 148.44 | - | 148.44 |
| (f) Others Financial Assets | 48.70 | - | 43.83 | - |
| | 786.49 | 148.44 | 650.44 | 148.44 |
| Non-Financial Assets | | | | |
| (a) Inventories | 91.63 | - | - | - |
| (b) Current Tax Assets (Net) | - | - | 2.58 | - |
| (c) Property, Plant and Equipment's | - | 109.11 | - | 112.00 |
| (d) Capital Work-in-Progress | - | - | - | - |
| (e) Other Non-Financial Assets | 118.32 | - | 4.97 | - |
| | 209.95 | 109.11 | 7.55 | 112.00 |
| TOTAL ASSETS | 996.44 | 257.55 | 657.99 | 260.44 |
| LIABILITIES AND EQUITY | | | | |
| Liabilities | | | | |
| Financial Liabilities | | | | |
| (a) Trade Payables | | | | |
| (i) Total Outstanding of MSME | - | - | - | - |
| (ii) Total Outstanding other than MSME | - | - | - | - |
| (b) Borrowings | 288.70 | - | - | - |
| (c) Other Financial Liabilities | 0.99 | - | 1.43 | - |
| | 289.69 | - | 1.43 | - |
| Non Financial Liabilities | | | | |
| (a) Current Tax Liabilities (Net) | 3.71 | - | - | - |
| (b) Deferred Tax Liabilities (Net) | - | 2.03 | - | 0.64 |
| (c) Other Non-Financial Liabilities | 6.10 | - | 5.03 | - |
| | 9.81 | 2.03 | 5.03 | 0.64 |
| Total Liabilities | 299.50 | 2.03 | 6.46 | 0.64 |
| Net Equity | 696.94 | 255.52 | 651.53 | 259.80 |

Note No. 30: Related Party Disclosures
a) List of related parties and relationship (as identified by the management).
i) Subsidiaries

Advik Optoelectronics Ltd.

ii) Key Management Personnel's (KMP) :

| | |
|----------------------------|---|
| Mr. Virender Kumar Agarwal | (Managing Director) |
| Mr. Shakul Kumar Agarwal | (Whole Time Director) |
| Mrs. Manju Agarwal | (Director) |
| Mr. Madhur Bansal | (Director, w.e.f. 07.04.2022) |
| Mr. Hemant Gupta | (Independent Director, ceased from 07.04.2022) |
| Mr. Vineet Gupta | (Independent Director, ceased from 28.12.2021) |
| Mr. Chetna | (Independent Director, ceased from 28.12.2021) |
| Ms. Sony Kumari | (Independent Director, w.e.f 28.12.2021) |
| Ms. Gunjan jha | (Independent Director, w.e.f 28.12.2021) |
| Mr. Om Prakash Aggarwal | (Independent Director, w.e.f 07.04.2022) |
| Ms. Rishabh Agarwal | (Chief Financial Officer, ceased from 07.04.2022) |

Mr. Madhur Bansal
 Ms. Poonam Mehta
 Ms. Rashika Gupta

(Chief Financial Officer, w.e.f. 07.04.2022)
 (Company Secretary, ceased from 28.12.2021)
 (Company Secretary, w.e.f 28.12.2021)

iii) Enterprise over which KMP and their relatives exercise significant influence

Advik Global Limited
 Altolite Electro Signs Private Limited
 Arrow Signs Private Limited

b) Transactions with related parties:

(Rs. in lakhs)

| Nature of Transaction | Related Party Name | Year ended March 31, 2022 | Year ended March 31, 2021 |
|----------------------------------|----------------------------|------------------------------|------------------------------|
| Remunerations | Mr. Virender Kumar Agarwal | 12.00 | 12.00 |
| | Mr. Shakul Kumar Agarwal | 1.50 | 6.00 |
| | Ms. Rishabh Agarwal | 6.00 | 6.00 |
| | Ms. Poonam Mehta | 1.10 | 1.07 |
| | Ms. Rashika Gupta | 1.30 | - |
| Receiving of Loan | Mr. Virender Kumar Agarwal | 140.20 | - |
| | Mrs. Manju Agarwal | 20.00 | - |
| Repayment of Loan | Mr. Virender Kumar Agarwal | 51.50 | - |
| Security Deposit Received | Advik Optoelectronics Ltd. | - | 2.50 |
| Security Deposit Repaid | Advik Optoelectronics Ltd. | 2.50 | - |

c) Balance as at the end of the year:

(Rs. in lakhs)

| Nature of Balance | As at March 31, 2022 | As at March 31, 2021 |
|-------------------------------|-------------------------|-------------------------|
| Remuneration Payable | | |
| Mr. Shakul Kumar Agarwal | - | 0.50 |
| Ms. Rishabh Agarwal | 0.50 | 0.50 |
| Ms. Poonam Mehta | - | 0.11 |
| Ms. Rashika Gupta | 0.43 | - |
| Unsecured Loan | | |
| Mr. Virender Kumar Agarwal | 88.70 | - |
| Mrs. Manju Agarwal | 20.00 | - |
| Security Deposit | | |
| Advik Optoelectronics Limited | - | 2.50 |
| Investments | | |
| Advik Optoelectronics Limited | 148.44 | 148.44 |

Note No.31: Financial Instruments
(A) Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

| Particulars | Note No. | As at March 31, 2022 | As at March 31, 2021 |
|--|-----------|----------------------|----------------------|
| Financial assets measured at fair value | | - | - |
| Financial assets measured at amortized cost | | | |
| Cash and cash equivalents | Note No.3 | 6.79 | 1.61 |
| Loans | Note No.4 | 731.00 | 605.00 |
| Investments | Note No.5 | 148.44 | 148.44 |
| Others Financial Assets | Note No.6 | 48.70 | 43.83 |
| Total | | 934.93 | 798.88 |

| Particulars | Note No. | As at March 31, 2022 | As at March 31, 2021 |
|---|------------|----------------------|----------------------|
| Financial Liability measured at fair value | | - | - |
| Financial liabilities measured at amortized cost | | | |
| Borrowings | Note No.11 | 288.70 | - |
| Other Financial Liabilities | Note No.12 | 0.99 | 1.43 |
| Total | | 289.69 | 1.43 |

(B) Fair values hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statements and are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

The categories used are as follows:

Level 1: Quoted prices (unadjusted) for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs;

Level 3: Inputs which are not based on observable market data (unobservable inputs).

Valuation technique used to determine fair value

The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received). Subsequent to initial recognition, the Company determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method, market comparable method, recent transactions happened in the Company and other valuation models. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

Eligible loans valued by discounting the aggregate future cash flows (both principal and interest cash flows) with credit risk-adjusted discounting rate for the remaining portfolio tenor. The Company has considered the average valuation impact arrived using risk free, cost of funds and yield free securitization approach.

The use of net asset value for certificate of deposits and mutual funds on the basis of the statement received from investee party.

The value of derivative contracts are determined using forward exchange rates at Balance Sheet date.

(C) Fair value of instruments measured at amortized cost

Fair value of instruments measured at amortized cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

Financial Assets measured at amortized cost

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|---------------------------|----------------------|---------------|----------------------|---------------|
| | Carrying value | Fair value | Carrying value | Fair value |
| Cash and cash equivalents | 6.79 | 6.79 | 1.61 | 1.61 |
| Loans | 731.00 | 731.00 | 605.00 | 605.00 |
| Investments | 148.44 | 162.64 | 148.44 | 159.01 |
| Others Financial Assets | 48.70 | 48.70 | 43.83 | 43.83 |
| Total | 934.93 | 949.13 | 798.88 | 809.45 |

Financial Liabilities measured at amortized cost

| Particulars | As at March 31, 2022 | | As at March 31, 2022 | |
|-----------------------------|----------------------|---------------|----------------------|-------------|
| | Carrying value | Fair value | Carrying value | Fair value |
| Borrowings | 288.70 | 288.70 | - | - |
| Other Financial Liabilities | 0.99 | 0.99 | 1.43 | 1.43 |
| Total | 289.69 | 289.69 | 1.43 | 1.43 |

The management assessed that fair values of cash and cash equivalents, other bank balances, trade receivables and trade payables approximate their respective carrying amounts, largely due to the short-term maturities of these instruments.

Note No. 32: Financial Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company risk management framework. The Company manages the risk basis policies approved by the board of directors. The board of directors provides written principles for overall risk management.

A) Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, investments, loan assets, trade receivables and other financial assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Credit Risk Management

Based on business environment in which the Company operates, a default on a financial assets is considered when the counter party fails to make payments within the agreed time period as per contract. The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. The Company assigns the following Credit ratings to each class of financial assets based on the assumption, Input and factor specific to the class of financial assets.

(i) Low credit risk

(ii) Moderate credit risk

(iii) High credit risk

The company provides for expected credit loss based on the following:

| Nature | Assets covered | Basis of expected credit loss |
|----------------------|---|---|
| Low credit risk | Cash and cash equivalents (excluding cash on hand), other bank balances, investments, loans, trade receivables and other financial assets | Life time expected credit loss or 12 month expected credit loss |
| Moderate credit risk | Loans and other financial assets | Life time expected credit loss or 12 month expected credit loss |
| High credit risk | Loans | Life time expected credit loss or fully provided for |

B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities (other than derivatives) that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

The Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors the Company's liquidity positions (also comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. The Company also takes into account liquidity of the market in which the entity operates.

Note No.33: Segment Reporting

The Company operates in two reportable segment i.e. financing and Trade in securities, for the purpose of Ind AS 108 "Operating segments" information related to such business segments have given below. The Company derives its major revenues from financing activities and its customers are widespread. Further, the Company operates only in India which is considered as a single geographical segment.

Standalone Segment Reporting for the year Ended March 31, 2022

(Rs. in lakhs)

(a) Information related to Balance Sheet items:

| Particulars | Loans | Trade in Securities | Un-allocable | Total |
|-----------------------------|---------------|---------------------|---------------|-----------------|
| As on March 31, 2022 | | | | |
| Segment Assets | 781.40 | 111.43 | - | 892.83 |
| Unallocable Assets | - | - | 361.16 | 361.16 |
| Total Assets | 781.40 | 111.43 | 361.16 | 1,253.99 |
| Segment Liabilities | 109.04 | 80.85 | - | 189.89 |
| Unallocable Liabilities | - | - | 111.64 | 111.64 |
| Total Liabilities | 109.04 | 80.85 | 111.64 | 301.53 |

(b) Information Related to Profit and Loss items:

| Particulars | Loans | Trade in Securities | Un-allocable | Total |
|-----------------------------------|--------------|---------------------|--------------|-----------------|
| Interest Income | 54.10 | - | - | 54.10 |
| Rental Income | - | - | 9.00 | 9.00 |
| Fee and Commission Income | - | - | 14.50 | 14.50 |
| Sale of Securities | - | 3,871.92 | - | 3,871.92 |
| I. Revenue From Operations | 54.10 | 3,871.92 | 23.50 | 3,949.52 |
| II. Other Incomes | - | - | - | - |
| III. Total Income (I+II) | 54.10 | 3,871.92 | 23.50 | 3,949.52 |

| | | | | | |
|-----|--|-------------|-----------------|--------------|-----------------|
| IV. | Expenses | | | | |
| | (a) Finance Costs | 0.02 | - | - | 0.02 |
| | (b) Purchases of Stock in Trade | - | 3,944.10 | - | 3,944.10 |
| | (c) Change in Inventories of Stock-in-Trade | - | (91.63) | - | (91.63) |
| | (d) Employee Benefits Expenses | 3.26 | 7.03 | 20.86 | 31.15 |
| | (f) Depreciation and Amortisation Expenses | - | - | 2.89 | 2.89 |
| | (g) Other Expenses | 0.40 | 2.92 | 5.69 | 9.01 |
| | Total Expenses (IV) | 3.68 | 3,862.42 | 29.44 | 3,895.54 |
| V. | Profit/ (Loss) Before Tax (V-VI) | 50.42 | 9.50 | (5.94) | 53.98 |
| VI. | Tax Expense: | | | | 12.85 |
| VII | Profit/ (Loss) for the Period (VIII-IX) | | | | 41.13 |

Standalone Segment Reporting for the year Ended March 31, 2021

(Rs. in lakhs)

(a) Information related to Balance Sheet items:

| Particulars | Loans | Trade in Securities | Un-allocable | Total |
|-----------------------------|--------|---------------------|--------------|--------|
| As on March 31, 2021 | | | | |
| Segment Assets | 650.45 | - | - | 650.45 |
| Unallocable Assets | - | - | 267.99 | 267.99 |
| Total Assets | 650.45 | - | 267.99 | 918.44 |
| Segment Liabilities | 2.89 | - | - | 2.89 |
| Unallocable Liabilities | - | - | 2.79 | 2.79 |
| Total Liabilities | 2.89 | - | 2.79 | 5.68 |

(b) Information Related to Profit and Loss items:

| Particulars | Loans | Trade in Securities | Un-allocable | Total |
|---|--------------|---------------------|--------------|--------------|
| Interest Income | 47.71 | - | - | 47.71 |
| Rental Income | - | - | - | - |
| Fee and Commission Income | - | - | - | - |
| Sale of Securities | - | - | - | - |
| I. Revenue From Operations | 47.71 | - | - | 47.71 |
| II. Other Incomes | - | - | 0.80 | 0.80 |
| III. Total Income (I+II) | 47.71 | - | 0.80 | 48.51 |
| IV. Expenses | | | | |
| (a) Finance Costs | - | - | - | - |
| (b) Purchases of Stock in Trade | - | - | - | - |
| (c) Change in Inventories of Stock-in-Trade | - | - | - | - |
| (d) Employee Benefits Expenses | 7.72 | - | 24.43 | 32.15 |
| (f) Depreciation and Amortisation Expenses | - | - | 0.12 | 0.12 |
| (g) Other Expenses | 1.56 | - | 9.48 | 11.04 |
| Total Expenses (IV) | 9.28 | - | 34.03 | 43.31 |
| V. Profit/ (Loss) Before Tax (V-VI) | 38.43 | - | (33.23) | 5.20 |
| VI. Tax Expense: | | | | 1.30 |
| VII Profit/ (Loss) for the Period (V-VI) | | | | 3.90 |

Note No.34: Significant Accounting Ratios

| S. No. | Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--------|-----------------------------------|----------------------|----------------------|
| (a) | Current Ratio, | 3.82 | 124.75 |
| (b) | Debt-Equity Ratio, | 0.30 | - |
| (c) | Debt Service Coverage Ratio, | 1,838.15 | 1,715.68 |
| (d) | Return on Equity Ratio, | 0.04 | 0.00 |
| (e) | Inventory turnover ratio, | 84.51 | - |
| (f) | Trade Receivables turnover ratio, | - | - |
| (g) | Trade payables turnover ratio, | - | - |
| (h) | Net capital turnover ratio, | 4.15 | 0.05 |
| (i) | Net profit ratio, | 0.01 | 0.08 |
| (j) | Return on Capital employed, | 0.06 | 0.01 |

Methodology:

1. Current Ratio = Current Asset / Current Liability
2. Debt-Equity Ratio = Total Debt / (Total Equity)
3. Debt Service Coverage Ratio = EBITDA / Finance Cost
4. Return on Equity Ratio = (Profit After Tax-Contingent Reserve) / (Total Equity-Contingent Reserve)
5. Inventory Turnover Ratio = Sale / (Average Inventory)
6. Trade Receivable Turnover Ratio = Revenue from Operations / Trade Receivable
7. Trade Payable Turnover Ratio = Purchase / Trade Payable
8. Net Capital Turnover Ratio = Revenue from Operations / (Current Asset - Current Liability)
9. Net Profit Ratio = Profit After Tax / Revenue
- 10 Return on Capital Employed= EBIT/ (Total Assets-Current Liabilities)

Note No.34A: Additional Regulatory Information

- i The Company has neither any capital work in progress of Property, Plant and Equipment nor any intangible assets under development.
- ii During the year, the company has not borrowed any funds from banks.
- iii During the year, the company has not revalued its Property, Plant and Equipment's. The Company has not any immovable properties.
- vi During the year, no proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.
- v The Company has not provided any Loan to any person on behalf of other person other than its ordinary course of its NBFC business, hence disclosure under section 186 is not applicable to the company.
- vi During the year, the company has not been declare wilful defaulter by any bank or financial institution or any other lender.
- vii There is no secured borrowings, hence, any charges or satisfaction registration with ROC is not required.
- viii Details of significant investments in subsidiaries, associates and joint ventures

(% of Direct holdings)

| Particulars | Country of Incorporation | As at March 31, 2022 | As at March 31, 2021 |
|-------------------------------|--------------------------|----------------------|----------------------|
| Subsidiary companies | | | |
| Advik Optoelectronics Limited | India | 57.99% | 57.99% |
| Associates companies | | | |
| | | Nil | Nil |
| Joint Ventures | | | |
| | | Nil | Nil |

- ix The Company does not have any Scheme of Arrangements, which has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- x The company has not provided any material advanced or loan to any person, other than the purpose of non banking business . The Company has not made any further investment in other company's equity.
- xi During the year the company has not avail any cash credit or other loan facility from any bank or Financial Institution.
- xii During the year, the company has not traded, invest or perform any transaction in crypto or other virtual currency.
- xiii In the opinion of the management, the realizable value of current assets, loans & advances, in the ordinary course of business, would not be less than the amount at which they are stated.
- xiv There have been no material changes and commitments affecting the financial position of the company occurring after the end of the financial year except the company has issued certain equity shares on Right Issue basis to its shareholders as detailed herein below:

| Particulars | Amount/ Date |
|--|----------------------------|
| Date of Allotment | April 19, 2022 |
| Issue Size | Rs.4968.11 Lakhs |
| No. of fully paid up shares issued | 17,43,19,680 Equity shares |
| Face Value | Re.1 per Equity Share |
| Issue price (including a premium of Rs.1.85 per equity share | Rs.2.85 per Equity Share |
| Outstanding fully paid-up shares prior to right issue | 4,58,73,600 Equity shares |
| Outstanding fully paid-up shares post to right issue | 22,01,93,280 Equity shares |

Note No. 35:
Disclosure of Expected Credit Loss and Provisions Required as per Income Recognition and Asset Classification Norms

| Asset Classification as per RBI Norms | Assets classification as per Ind AS 109 | Gross Carrying Amount as per Ind AS 109 | Loss Allowances (Provisions) as required under Ind AS 109 | Net Carrying Amount | Provisions required as per IRACP norms | Difference between Ind AS 109 provisions and IRACP norms |
|---|---|---|---|---------------------|--|--|
| Performing Assets | | | | | | |
| Standard | Stage-1 | 779.70 | - | 779.70 | 1.95 | (1.95) |
| Subtotal | | 779.70 | - | 779.70 | 1.95 | (1.95) |
| Non-Performing Assets (NPA) | | | | | | |
| Substandard | Stage-3 | - | - | - | - | - |
| Doubtful – up to 1 year | Stage-3 | - | - | - | - | - |
| 1 to 3 years | Stage-3 | - | - | - | - | - |
| More than 3 years | Stage-3 | - | - | - | - | - |
| Subtotal for doubtful | Stage-3 | - | - | - | - | - |
| Loss | Stage-3 | - | - | - | - | - |
| Subtotal for NPA | | - | - | - | - | - |
| Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms | Stage-1 | - | - | - | - | - |
| | Stage-2 | - | - | - | - | - |
| | Stage-3 | - | - | - | - | - |
| Subtotal | | - | - | - | - | - |
| Total | | 779.70 | - | 779.70 | 1.95 | (1.95) |

Note No. 35A: Disclosures Related to Non performing Assets
(a) Sector wise Non performing Assets

| Particulars | (Percentage of NPAs to total advance to that sector) | |
|-------------------------------------|--|----------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| 1 Agriculture and allied activities | 0.00% | 0.00% |
| 2 MSME | 0.00% | 0.00% |
| 3 Corporate borrowers | 0.00% | 0.00% |
| 4 Services | 0.00% | 0.00% |
| 5 Unsecured personal loans | 0.00% | 0.00% |
| 6 Auto loans | 0.00% | 0.00% |
| 7 Other personal loans | 0.00% | 0.00% |

(b) Movement of NPAs

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---------------------------|---------------------------|
| i) Net NPAs to net advance (%) | 0.00% | 0.00% |
| ii) Movement of NPAs | | |
| a) Opening balance | - | - |
| b) Addition during the year | - | - |
| c) Reduction/ write off during the year | - | - |
| d) Closing balance | - | - |
| iii) Movement of provisions for NPAs | | |
| a) Opening balance | - | - |
| b) Addition during the year | - | - |
| c) Reduction/ write off during the year | - | - |
| d) Closing balance | - | - |

(C) Detail of non-performing financial asset purchased/sold

The Company has not purchased/sold non-performing financial asset in the current and previous year.

Note No. 36: Additional Disclosures for RBI

- (a) Overseas assets (for those with Joint Ventures and subsidiaries abroad) – Nil (Previous year: Nil)
- (b) Draw down from reserves:- Nil (Previous year Nil)
- (c) Disclosure of Penalties imposed by RBI & other regulators: Nil (Previous year: Nil)
- (d) Registration obtained from other financial sector regulators:
The Company is registered with following other financial sector regulators:
 - (i) Ministry of Corporate Affairs (MCA]
 - (ii) Ministry of Finance (Financial Intelligence Unit)
 - (iii) Securities and Exchange Board of India (SEBI)
 - (iv) Central Registry of Securitization Asset Reconstruction and Security Interest of India (CERSAI)
- (e) Details of financing of parent Company product
This disclosure is not applicable as the Company does not have any holding/parent Company.
- (f) Exposures
 - (i) Exposure to real state sector:-Nil (Previous Year : Nil)
 - (ii) Exposure to capital market:-Nil (Previous Year : Nil)

Note No.37 : Others

- (a) Pursuant to section 135 of the Companies Act, 2013, CSR is applicable to every company having net worth of Rs 500 crore or more, or a turnover of over Rs 1,000 crore or a net profit exceeding Rs 5 crore in any financial year. Since the Company has not exceeded the limits specified above, provisions of Section 135 of the Companies Act, 2013 is not applicable to the Company.
- (b) The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956
- (c) The company has utilized the borrowed funds for the purpose for which it has been borrowed.
- (d) Other additional information pursuant to Schedule III to the Companies Act 2013 are either nil or not applicable.
- (e) The Previous year's figures have been reclassified /re-grouped and / or rearranged wherever considered necessary.
- (f) Figures have been rounded off to the nearest Rupee.

As per our report of even date attached
 For **Garg Anil & Co.**
 Chartered Accountants
 Firm Reg. No.006308N

For and on behalf of the Board of
Advik Capital Limited

(Anil Garg)
 Proprietor
 M. No. 085017
 UDIN: 22085017AJUBMU4961

Shakul Kumar Agarwal
 Whole Time Director
 DIN:03590891

Virender Kumar Agarwal
 Managing Director
 DIN:00531255

Place: Delhi
 Date: May 28, 2022

Rashika Gupta
 (Company Secretary)
 PAN: BYIPG0832M

Madhur Bansal
 (Chief Financial Officer)
 PAN: BLHPB7356R

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ADVIK CAPITAL LIMITED

Report on the Audit of the Consolidated financial statements

Opinion

We have audited the accompanying Consolidated financial statements of **Advik Capital Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Balance Sheet as at March 31st, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and Notes to the Consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2022, the Profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis/ Business Responsibility Report/ and Shareholder's Information, but does not include the Consolidated financial statements and our auditor's report thereon. The above-referred information is expected to be made available to us after the date of this audit report.

Our opinion on the Consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated financial statements, management and Board of Directors of the Companies included in the Group are responsible for assessing the ability of each Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are also responsible for overseeing the financial reporting process each Company.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept so far as appears from our examination of those books.
 - c) The Balance Sheet and the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
 - g) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the companies (Audit and Auditors) Rule, 2014, in our opinion and to the best of our information and according to the explanation given

to us:

- i. The consolidated financial statements does not have any material pending litigations which effects on its financial position to the Consolidated financial statements.
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the by the Holding Company and its subsidiary companies during the year ended on March 31, 2022.
 - iv. (a) The management has represented to us that, to the best of management's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company and its subsidiary companies to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company and its subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The management has represented to us that, to the best of management's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Holding Company and its subsidiary companies from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company and its subsidiary companies shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (c) According to the information and explanations given to us and based on our examination of the records of the Holding Company and its subsidiary companies, nothing has come to our notice that has caused us to believe that the representations made above contain any material mis-statement.
 - v. The Holding Company and its subsidiary companies has not declared or paid any dividend during the year.
- h) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **GARG ANIL & CO**
Chartered Accountants
Firm Registration No. 006308N

CA Anil Garg
Proprietor
Membership No. 085017
UDIN: 22085017AJUCDL2057

Date: 28/05/2022

Place: New Delhi

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Advik Capital Limited of even date)

- (xxi) According to the information and explanations given to us, in respect of the subsidiary company and included in the consolidated financial statements, the CARO report relating to them has been issued by us and no qualification and adverse remark has been issued by us.

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Advik Capital Limited of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **ADVIK CAPITAL LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") as of March 31, 2022 in conjunction with our audit of the Consolidated financial statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Company's Management and Board of Directors of the company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls Over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

A company's Internal Financial Control Over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's Internal Financial Controls Over Financial Reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of Internal Financial Controls Over Financial Reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls Over Financial Reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **GARG ANIL & CO**
Chartered Accountants
Firm Registration No. 006308N

CA Anil Garg
Proprietor
Membership No. 085017
UDIN: 22085017AJUCDL2057

Date: 28/05/2022

Place: New Delhi

Consolidated Balance Sheet as at March 31, 2022

(Rs. in lakhs)

| Particulars | Note No. | As at March 31, 2022 | As at March 31, 2021 |
|---|-----------|-------------------------|-------------------------|
| I. ASSETS | | | |
| Financial Assets | | | |
| (a) Cash and Cash Equivalents | 3 | 26.06 | 9.46 |
| (b) Bank Balances other than Cash and Cash Equivalents | 4 | 1.15 | 1.08 |
| (c) Trade Receivables | 5 | 101.77 | 236.73 |
| (d) Loans | 6 | 731.00 | 605.00 |
| (e) Investments | | - | - |
| (f) Others Financial Assets | 7 | 72.39 | 45.83 |
| | | 932.37 | 898.10 |
| Non Financial Assets | | | |
| (a) Inventories | 8 | 359.55 | 253.89 |
| (b) Current Tax Assets (net) | 9 | - | 1.66 |
| (c) Property, Plant & Equipment's | 10 | 198.38 | 220.02 |
| (d) Capital Work in Progress | | - | - |
| (e) Deferred Tax Assets | 11 | 1.10 | 2.58 |
| (f) Other Non Financial Assets | 12 | 179.29 | 57.84 |
| | | 738.32 | 535.99 |
| Total | | 1,670.69 | 1,434.09 |
| II. LIABILITIES AND EQUITY | | | |
| Liabilities | | | |
| Financial Liabilities | | | |
| (a) Trade Payables | | | |
| (i) Total Outstanding of MSME | | - | - |
| (ii) Total Outstanding other than MSME | 13 | 54.37 | 102.37 |
| (b) Borrowings | 14 | 469.02 | 282.92 |
| (c) Other Financial Liabilities | 15 | 48.16 | 4.87 |
| | | 571.55 | 390.16 |
| Non Financial Liabilities | | | |
| (a) Current Tax Liabilities (net) | 9 | 6.19 | - |
| (b) Other Non Financial Liabilities | 16 | 8.47 | 6.83 |
| | | 14.66 | 6.83 |
| Equity | | | |
| (a) Equity Share Capital | 17 | 458.74 | 458.74 |
| (b) Other Equity | 18 | 625.74 | 578.36 |
| | | 1,084.48 | 1,037.10 |
| Total | | 1,670.69 | 1,434.09 |
| Summary of significant accounting policies Notes to Accounts | 2 1-41 | | |

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached
For **Garg Anil & Co.**
Chartered Accountants
Firm Reg. No.006308N

(Anil Garg)
Proprietor
M. No. 085017
UDIN: 22085017AJUCDL2057

Place: Delhi
Date: May 28, 2022

For and on behalf of the Board of
Advik Capital Limited

Shakul Kumar Agarwal
Whole Time Director
DIN:03590891

Virender Kumar Agarwal
Managing Director
DIN:00531255

Rashika Gupta
(Company Secretary)
PAN: BYIPG0832M

Madhur Bansal
(Chief Financial Officer)
PAN: BLHPB7356R

Consolidated Statement of Profit and Loss for the year ended March 31, 2022

(Rs. in lakhs)

| Particulars | Note No. | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|----------|---------------------------|---------------------------|
| Interest Income | | 54.10 | 47.71 |
| Rental Income | | 9.00 | - |
| Fee and Commission Income | | 14.50 | - |
| Sale of Securities | | 3,871.92 | - |
| Sale of Goods | | 696.38 | 577.43 |
| Other Operating Incomes | | - | 0.72 |
| I. Revenue From Operations | | 4,645.90 | 625.86 |
| II. Other Incomes | 19 | 11.82 | 2.11 |
| III. Total Income (I+II) | | 4,657.72 | 627.97 |
| IV. Expenses | | | |
| (a) Finance Costs | 20 | 20.51 | 21.85 |
| (b) Cost of Materials Consumed | | 565.12 | 439.00 |
| (c) Purchases of Stock in Trade | 21 | 3,944.10 | - |
| (d) Change in Inventories of Finished Goods | | | |
| Work in Progress and Stock in trade | 22 | (87.07) | 7.00 |
| (e) Employee Benefits Expenses | 23 | 63.61 | 60.04 |
| (f) Depreciation and Amortisation Expenses | 24 | 23.43 | 18.74 |
| (g) Other Expenses | 25 | 64.73 | 71.55 |
| Total Expenses (IV) | | 4,594.43 | 618.18 |
| V. Profit before exceptional items and tax (III-IV) | | 63.29 | 9.79 |
| Exceptional items | | - | - |
| VI. Profit/ (Loss) Before Tax (V-VI) | | 63.29 | 9.79 |
| VII Tax Expense: | | | |
| Current Tax | | 14.44 | 2.33 |
| Deferred Tax Liability / (Assets) | | 1.47 | 0.26 |
| VIII. Profit/ (Loss) for the Period from Continuing Operations (VII-VIII) | | 47.38 | 7.20 |
| IX. Profit/ (Loss) for from discontinuing Operations | | - | - |
| X. Profit/ (Loss) for the Period (VIII-IX) | | 47.38 | 7.20 |
| XI. Other Comprehensive Income : | | | |
| (A) (i) Items that will not be reclassified to Profit and Loss | | - | - |
| (ii) Income Tax effect on herein above | | - | - |
| (B) (i) Items that will be classified to Profit and Loss | | - | - |
| (ii) Income Tax effect on herein above | | - | - |
| Total other comprehensive income/(loss) for the year | | - | - |
| XII. Total comprehensive income/(loss) for the year (X+XI) | | 47.38 | 7.20 |
| XIII. Profit for the year attributable to Equity holders of the parent | | 44.76 | 5.81 |
| XIV. Profit for the year attributable to Non-controlling interest | | 2.62 | 1.39 |
| Nominal Value Per Equity Share | | 1 | 1 |
| Earning per Equity Share - Basic | 30 | 0.10 | 0.02 |
| Earning per Equity Share - Diluted | 30 | 0.10 | 0.02 |
| Summary of significant accounting policies | 2 | | |
| Notes to Accounts | 1-41 | | |

The accompanying notes form an integral part of the financial statements.

 As per our report of even date attached
 For **Garg Anil & Co.**
 Chartered Accountants
 Firm Reg. No.006308N

 For and on behalf of the Board of
Advik Capital Limited
(Anil Garg)
 Proprietor
 M. No. 085017
 UDIN: 22085017AJUCDL2057

Shakul Kumar Agarwal
 Whole Time Director
 DIN:03590891

Virender Kumar Agarwal
 Managing Director
 DIN:00531255

 Place: Delhi
 Date: May 28, 2022

Rashika Gupta
 (Company Secretary)
 PAN: BYIPG0832M

Madhur Bansal
 (Chief Financial Officer)
 PAN: BLHPB7356R

Consolidated Statement of Cash Flow for the year ended March 31, 2022

(Rs. in lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|---------------------------------|---------------------------------|
| (A) CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net Profit/ (Loss) before tax | 63.29 | 9.79 |
| Adjustments for: | | |
| Depreciation and Amortisation Expenses | 23.43 | 18.74 |
| (Profit)/ Loss on Sale of Fixed Assets | (0.25) | (0.80) |
| Operating profit/ (loss) before working capital changes | 86.47 | 27.73 |
| Changes in working capital: | | |
| (increase)/ decrease in Trade Receivable | 134.96 | (23.41) |
| (increase)/ decrease in Loans | (126.00) | (25.74) |
| (increase)/ decrease in Other Financial Assets | (26.56) | (0.20) |
| (increase)/ decrease in Other Bank Balances | (0.07) | 0.08 |
| (increase)/ decrease in Inventories | (105.66) | 6.99 |
| (increase)/ decrease in Other Non Financial Assets | (121.45) | 6.58 |
| increase/ (decrease) in Trade Payables | (48.00) | (14.01) |
| increase/ (decrease) in Other Financial Liabilities | 43.29 | - |
| increase/ (decrease) in Other Non Financial Liabilities | 1.64 | (7.82) |
| Cash generated from operations | (161.38) | (29.80) |
| Net income tax paid (Net of refunds) | (6.58) | (2.49) |
| Net Cash from Operating Activities | (167.96) | (32.29) |
| (B) CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from disposal of Property, Plant and Equipment | 0.50 | 3.05 |
| Purchase of Property, Plant and Equipment | (2.04) | (9.64) |
| (Increase)/ Decrease in Other Bank Balances | - | - |
| Net Cash Generated/(Used) In Investing Activities | (1.54) | (6.59) |
| (C) CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from Issue of Equity Share Capital | - | - |
| Increase/ (Decrease) in Borrowings | 186.10 | 40.33 |
| Net Cash from Financing Activities | 186.10 | 40.33 |
| Net increase/ (decrease) in Cash and cash equivalents (A+B+C) | 16.60 | 1.45 |
| Cash and cash equivalents at the beginning of the year | 9.46 | 8.01 |
| Cash & Cash Equivalents at the end of the year | 26.06 | 9.46 |
| Components of Cash and Cash Equivalents | | |
| Particulars | As at March 31, 2022 | As at March 31, 2021 |
| Cash in hand | 19.63 | 7.78 |
| Balances with banks and financial institutions | | |
| Balance with banks in current accounts | 6.43 | 1.68 |
| Deposit with Original Maturity of less than three months | - | - |
| Total | 26.06 | 9.46 |

The above statement of cash flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.

 As per our report of even date attached
 For **Garg Anil & Co.**
 Chartered Accountants
 Firm Reg. No.006308N

(Anil Garg)
 Proprietor
 M. No. 085017
 UDIN: 22085017AJUCDL2057

 Place: Delhi
 Date: May 28, 2022

 For and on behalf of the Board of
Advik Capital Limited
Shakul Kumar Agarwal
 Whole Time Director
 DIN:03590891

Virender Kumar Agarwal
 Managing Director
 DIN:00531255

Rashika Gupta
 (Company Secretary)
 PAN: BYIPG0832M

Madhur Bansal
 (Chief Financial Officer)
 PAN: BLHPB7356R

Consolidated Statement of Change in Equity as at March 31, 2022
A. Equity Share Capital

(Rs. in lakhs)

| Particulars | No. of Shares | Amount |
|---|--------------------|---------------|
| As at April 01, 2020 | 4,58,73,600 | 458.74 |
| Changes in Equity Share Capital due to prior period errors | - | - |
| Restated balance at the beginning of the current reporting period | 4,58,73,600 | 458.74 |
| Changes in the equity share capital during the year | - | - |
| As at March 31, 2021 | 4,58,73,600 | 458.74 |
| Changes in Equity Share Capital due to prior period errors | - | - |
| Restated balance at the beginning of the current reporting period | 4,58,73,600 | 458.74 |
| Changes in the equity share capital during the year | - | - |
| As at March 31, 2022 | 4,58,73,600 | 458.74 |

B. Other Equity

| Particulars | Capital Reserve | Security Premium | Retained earnings | Special Reserve as per RBI Norms | Reserve for Bad & Doubtful Debts As per Income Tax Provisions |
|--|-----------------|------------------|-------------------|----------------------------------|---|
| | (A) | (B) | (C) | (D) | (E) |
| As at April 01, 2020 | 1.60 | 357.20 | 41.82 | 7.00 | 3.97 |
| Profit for the Year | - | - | 5.81 | - | - |
| Transfer to Special Reserve | - | - | (0.78) | - | - |
| Transfer to Contingency Reserve | - | - | (0.03) | - | - |
| Transfer to Reserve for Bad & Doubtful Debts | - | - | (0.26) | - | - |
| Transfer from Retained Earnings | - | - | - | 0.78 | 0.26 |
| As at March 31, 2021 | 1.60 | 357.20 | 46.56 | 7.78 | 4.23 |
| Profit for the Year | - | - | 44.76 | - | - |
| Transfer to Special Reserve | - | - | (8.23) | - | - |
| Transfer to Contingency Reserve | - | - | (0.33) | - | - |
| Transfer to Reserve for Bad & Doubtful Debts | - | - | (2.06) | - | - |
| Transfer from Retained Earnings | - | - | - | 8.23 | 2.06 |
| As at March 31, 2022 | 1.60 | 357.20 | 80.70 | 16.01 | 6.29 |

| Particulars | Contingency Reserve | Other Items of Other Comprehensive Incomes | Amalgamation Reserve | Non Controlling Interest | Total |
|--|---------------------|--|----------------------|--------------------------|---------------|
| | (F) | (G) | (H) | (I) | (A to I) |
| As at April 01, 2020 | 1.59 | - | 44.17 | 113.81 | 571.16 |
| Profit for the Year | - | - | - | 1.39 | 7.20 |
| Transfer to Special Reserve | - | - | - | - | (0.78) |
| Transfer to Contingency Reserve | - | - | - | - | (0.03) |
| Transfer to Reserve for Bad & Doubtful Debts | - | - | - | - | (0.26) |
| Transfer from Retained Earnings | 0.03 | - | - | - | 1.07 |
| As at March 31, 2021 | 1.62 | - | 44.17 | 115.20 | 578.36 |
| Profit for the Year | - | - | - | 2.62 | 47.38 |
| Transfer to Special Reserve | - | - | - | - | (8.23) |
| Transfer to Contingency Reserve | - | - | - | - | (0.33) |
| Transfer to Reserve for Bad & Doubtful Debts | - | - | - | - | (2.06) |
| Transfer from Retained Earnings | 0.33 | - | - | - | 10.62 |
| As at March 31, 2022 | 1.95 | - | 44.17 | 117.82 | 625.74 |

The accompanying notes form an integral part of the financial statements.

 As per our report of even date attached
 For **Garg Anil & Co.**
 Chartered Accountants
 Firm Reg. No.006308N

 For and on behalf of the Board of
Advik Capital Limited
(Anil Garg)
 Proprietor
 M. No. 085017
 UDIN: 22085017AJUCDL2057

Shakul Kumar Agarwal
 Whole Time Director
 DIN:03590891

Virender Kumar Agarwal
 Managing Director
 DIN:00531255

 Place: Delhi
 Date: May 28, 2022

Rashika Gupta
 (Company Secretary)
 PAN: BYIPG0832M

Madhur Bansal
 (Chief Financial Officer)
 PAN: BLHPB7356R

Consolidated Notes on Financial Statements for the year ended March 31, 2022

1. (A) BACKGROUND

Our Company, Advik Capital Limited (hereafter "Advik Capital/ Company", was originally incorporated as 'Quick Credit Limited' in New Delhi on November 14, 1985 as a public limited company under the Companies Act, 1956, and was granted the certificate of incorporation by the Registrar of Companies, Delhi and Haryana at New Delhi. Our Company was granted the Certificate for Commencement of Business on November 20, 1985 by the Registrar of Companies, Delhi and Haryana at New Delhi. Subsequently, the name of our Company was changed to 'DU-Lite Industries Limited' and a fresh Certificate of Incorporation was granted by the Registrar of Companies, Delhi and Haryana at New Delhi on September 20, 2010. The name of the Company was changed again to 'Advik Industries Limited' and our Company received a fresh certificate of incorporation which was granted by the Registrar of Companies, Delhi and Haryana at New Delhi on February 24, 2011. Finally, the name of our Company was changed to 'Advik Capital Limited' and a fresh certificate of incorporation consequent upon change of name was granted by the Registrar of Companies, Delhi at Delhi on July 7, 2017. Our Company was registered as Non-Banking Financial Company vide certificate of registration dated January 7, 2003 bearing No. B- 14.00724 under section 45 I(A) of the Reserve Bank of India Act, 1934. Advik Capital is currently a company listed on BSE. Our Company is a non-deposit taking Non-Banking Financial Company registered with the RBI. Our Company is engaged primarily in the business of providing financial loans and in providing ancillary services related to the said business activities.

(B) STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, as amended from time to time and other relevant provisions of the Act.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in preparation of the consolidated Financial Statements are as given below:

2.1 Basis of Preparation of Financial Statements

The consolidated financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values by Ind AS.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company i.e. its subsidiaries. It also includes the Group's share of profits, net assets and retained post acquisition reserves of joint arrangements and associates that are consolidated using the equity or proportionate method of consolidation, as applicable.

Control is achieved when the Company is exposed to, or has rights to the variable returns of the entity and the ability to affect those returns through its power to direct the relevant activities of the entity.

The results of subsidiaries, joint arrangements and associates acquired or disposed off during the year are included in the consolidated statement of profit and loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Wherever necessary, adjustments are made to the financial statements of subsidiaries, joint arrangements and associates to bring their accounting policies in line with those used by other members of the Group.

Intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by acquisition basis. Subsequent to acquisition, the carrying value of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interests having a deficit balance.

2.3 Basis of Measurement

The financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, defined benefit plan – plan assets measured at fair value, assets held for sale which is measured at lower of cost or fair value less cost of sale. Historical cost is generally based on the fair value of the consideration given for goods and services.

Fair value measurements are categorised into Level 1, 2 or 3 as per Ind AS requirement, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

2.4 Property, Plant and Equipment and Investment Property

Recognition and Measurement

Property, plant and equipment held for use or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. The cost includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Assets having individual value of less than `5,000/- are charged to statement of Profit and Loss in the year of purchase.

Investment Property consists of building let out to earn rentals. The Company follows cost model for measurement of investment property.

Depreciation

Depreciation is provided using the written down value method over the useful life as prescribed under Schedule II to the Companies Act, 2013. Depreciation is calculated on pro-rata basis, including the month of addition and excluding the month of sale/disposal. Leasehold improvements are amortised over the underlying lease term on a straight line basis. Residual value in respect of Buildings and Vehicles is considered as 5% of the cost and in case of other assets 'Nil'.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

De-recognition

An item of property, plant and equipment or investment property is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment or investment property is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Capital work-in-progress

Capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses to acquire property, plant and equipment. Assets that are not ready to intended use are also shown under capital work-in-progress.

2.5 Intangible Assets

Recognition and measurement

Intangible assets are recognized at cost of acquisition which includes all expenditure that can be directly attributed or allocated on a reasonable and consistent basis, to create, produce or making the asset ready for its intended use.

Amortisation

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

De-recognition

An intangible asset is de-recognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de- recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss when the asset is de-recognized.

2.6 Revenue Recognition

Interest income on loans

The Company recognizes interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortized cost or fair value through other comprehensive income (FVOCI). EIR is calculated by considering any fees and all incremental costs that are directly attributable to acquisition of a financial asset and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset to the gross carrying amount of a financial asset or to the amortized cost of a financial liability.

The Company recognizes interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets regarded as 'Stage 3', the Company recognizes interest income on the net amortized cost of financial assets at EIR. If financial asset is no longer credit-impaired Company reverts to calculating interest income on a gross basis.

Additional interest/overdue interest/penal charges are recognized only when it is reasonably certain that the ultimate collection will be made.

Sale of Product

Revenue from sale of products is recognised when control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped or delivered to the specific location as the case may be, the risk of loss has been transferred, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied. Sale of products include related ancillary services, if any.

Commission income

Income from business correspondent services is recognized as and when the services are rendered as per agreed terms and conditions of the contract.

Dividend Income

Dividend income is recognized at the time when the right to receive is established by the reporting date.

Miscellaneous Income

All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realization/ collection.

2.7 Borrowing costs

Borrowing costs consists of interest and other cost that the Company incurred in connection with the borrowing of funds. Borrowing costs charged to the Statement of Profit and Loss on the basis of effective interest rate method.

2.8 Income Taxes**Current tax**

Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961. Current tax comprises the tax payable on the taxable income or loss for the year and any adjustment to the tax payable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and liability on a net basis.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income. Deferred tax is measured at the tax rates based on the laws that have been enacted or substantively enacted by the reporting date, based on the expected manner of realisation or settlement of the carrying amount of assets/liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against liabilities, and they relate to income taxes levied by the same tax authority.

A deferred tax liability is recognised for all taxable temporary differences. A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.9 Employee benefits**Short term employee benefits**

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Other long term employee benefits

Benefits under the Company's leave encashment constitute other long term employee benefits. The Company's net obligation in respect of leave encashment is the amount of future benefit that employees have present value, and the fair value of any related assets is deducted. The calculation is performed using the projected unit credit method. Any gains or losses are recognized in profit or loss in the period in which they arise.

2.10 Cash and Cash Equivalent

Cash and comprises cash on hand and demand deposits. The Company considers cash equivalents as all short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2.11 Equity Investment in Subsidiaries

Investments representing equity interest in subsidiaries are accounted for at cost in accordance with Ind AS 27 Separate Financial Statements.

2.12 Provisions contingent assets and contingent liabilities

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

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

Contingent assets are not recognized but disclosed where an inflow of economic benefits is probable. aa

2.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

The Company as lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

2.14 Foreign currency

Functional And presentation currency

Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements have been prepared and presented in Indian Rupees (INR), which is the Company's functional and presentation currency.

Transaction and Balances

Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non- monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the Statement of Profit and Loss in the year in which they arise.

2.15 Segment reporting

The Company identifies segment basis of the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are regularly reviewed by the CODM ('chief operating decision maker') and in assessing performance. The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship with the operating activities of the segment.

2.16 Use of Judgements and Estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities and assets) as on the date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

2.17 Earning Per Share

Basic earnings per equity share is calculated by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

To calculate diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.18 Dividends

Final dividends are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Board of Directors of the Company.

2.19 Impairment of Non-Financial Assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses are recognised in profit and loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.20 Impairment of Financial Assets

The Company recognises impairment allowances for ECL on all the financial assets that are not measured at FVTPL:

Financial assets that are debt instruments

Lease receivables

Financial guarantee contracts issued

Loan commitment issued

No impairment loss is recognised on equity investments

ECL are probability weighted estimate of credit losses. They are measured as follows:

Financial assets that are not credit impaired- as the present value of all cash shortfalls that are possible within 12 months after the reporting date.

Financial assets with significant increase in credit risk but not credit impaired – as the present value of all cash shortfalls that result from all possible default events over the expected life of the financial asset.

Financial assets that are credit impaired – as the difference between the gross carrying amount and the present value of estimated cash flows

With respect to trade receivables and other financial assets, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For financial assets at FVTOCI, the loss allowance is recognised in OCI.

Loan assets- The Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarized below:

Stage 1 includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.

Stage 2 includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.

Stage 3 includes loan assets that have objective evidence of impairment at the reporting date.

The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets.

Write-off

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

2.21 Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below

(A) Non-derivative financial assets

Subsequent Measurement

Financial assets carried at amortized cost – a financial asset is measured at the amortized cost if both the following conditions are met:

The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in interest income in the Statement of Profit and Loss.

Financial assets (debt instruments e.g. loans) are measured at FVOCI when both of the following conditions are met:

The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets.

The contractual terms of the financial asset meet the SPPI test.

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Interest income are recognized in profit or loss in the same manner as for financial assets measured at amortized cost.

Financial assets measured at FVPL – FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL, with all changes recognized in the P&L.

Derecognition of Financial Assets

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are de-recognized (i.e. removed from the Company's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Company has not retained control, it shall also de-recognize the financial asset and recognize separately as assets or liabilities any rights and obligations created or retained in the transfer.

(B) Non Derivatives Financial Liabilities

Subsequent Measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortized cost using the effective interest method.

Derecognition of Financial Liabilities

A financial liability is de-recognized when the obligation under the liability is discharged or canceled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de- recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

2.22 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date using valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured are categorized with fair value hierarchy into Level I, Level II and Level III based on level of input.

2.23 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when the Company has a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Note No.3: Cash and Cash Equivalents

(Rs. in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| Cash in hand | 19.63 | 7.78 |
| Balance with banks | | |
| In current account | 6.43 | 1.68 |
| Deposit with Original Maturity of less than three months | - | - |
| Total | 26.06 | 9.46 |

Note No.4: Bank Balances other than Cash and Cash Equivalents

(Rs. in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| Deposits held as margin money | 1.15 | 1.08 |
| Deposits with Original maturity of more than three month but less than twelve months | - | - |
| Total | 1.15 | 1.08 |

Note No.5 : Trade Receivables

(Rs. in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|----------------------|----------------------|
| Secured | | |
| Outstanding for a period exceeding 6 months | - | - |
| Outstanding for a period not exceeding 6 months | - | - |
| Unsecured, considered good | | |
| Outstanding for a period exceeding 6 months | 0.92 | - |
| Outstanding for a period not exceeding 6 months | 100.85 | 236.73 |
| Total | 101.77 | 236.73 |

Trade Receivable Ageing Schedule

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|----------------------|----------------------|
| Trade receivables, Unsecured disputed, considered good | | |
| Trade receivables, Unsecured Undisputed considered good | | |
| Less than 6 months | 100.85 | 236.73 |
| 6 months- 1 Years | 0.92 | - |
| 1-2 Years | - | - |
| 2-3 Years | - | - |
| More Than 3 Years | - | - |
| Total | 101.77 | 236.73 |

There are no outstanding receivables due from directors or other officers of the Company.

Note No.6: Loans

(Rs. in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|----------------------------|----------------------|----------------------|
| Amortised cost | | |
| Unsecured, considered good | | |
| Loans repayable on demand | 731.00 | 605.00 |
| Term loans | - | - |
| Net | 731.00 | 605.00 |

a) Other Details

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| Secured by property, plant and equipment including land and building | - | - |
| Secured by book debts, inventories, margin money and other working capital items | - | - |
| Unsecured | 731.00 | 605.00 |
| Total | 731.00 | 605.00 |

| Loans in India | | |
|-----------------------|---------------|---------------|
| Public Sector | | |
| Others | 731.00 | 605.00 |
| Total | 731.00 | 605.00 |

b) Loans with specified parties:

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--------------------------|-----------------------------|-----------------------------|
| Promoters | Nil | Nil |
| Directors | Nil | Nil |
| Key management Personals | Nil | Nil |
| Other Related Parties | Nil | Nil |
| Total | Nil | Nil |

Note No.7: Other Financial Assets

(Rs. in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|----------------------------|-----------------------------|-----------------------------|
| Unsecured, considered good | | |
| Accrued Income | 48.70 | 43.83 |
| Advances to Suppliers | 23.69 | - |
| Other | - | 2.00 |
| Net | 72.39 | 45.83 |

Note No.8 : Inventories

(Rs. in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-----------------------------|-----------------------------|
| (As valued and certified by the management) | | |
| Raw Materials | 201.22 | 182.42 |
| Work in Progress | - | - |
| Finished Goods | 64.46 | 69.02 |
| Stores and Others | 2.24 | 2.45 |
| Securities held for trade | 91.63 | - |
| Total | 359.55 | 253.89 |

Note No.9: Current Tax Assets/ (Liabilities) (net)

(Rs. in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--------------------------------------|-----------------------------|-----------------------------|
| Income Tax Assets/ Liabilities (net) | (6.19) | 1.66 |
| Total | (6.19) | 1.66 |

Note No 10 : Property, Plant & Equipment's

(Rs. in lakhs)

| Gross Block | Tangible Assets | | | | | | | | | | Intangible Assets (B) | Total (A+B) |
|-----------------------------|-----------------|---------------|-------------------|--------------|------------------------|--------------------|--------------|---------------|---|---------------|-----------------------|---------------|
| | Land | Building | Plant & Machinery | Computer | Furniture and Fixtures | Office Equipment's | Vehicles | Total (A) | | | | |
| As at April 1, 2020 | - | 111.28 | 181.45 | 13.51 | 6.53 | 12.49 | 80.54 | 405.80 | - | 405.80 | - | 405.80 |
| Addition | - | - | 0.69 | - | - | 0.53 | 8.42 | 9.64 | - | 9.64 | - | 9.64 |
| Disposals | - | - | - | - | - | - | 43.16 | 43.16 | - | - | - | 43.16 |
| As at March 31, 2021 | - | 111.28 | 182.14 | 13.51 | 6.53 | 13.02 | 45.80 | 372.28 | - | 372.28 | - | 372.28 |
| Addition | - | - | 0.16 | - | - | 1.88 | - | 2.04 | - | 2.04 | - | 2.04 |
| Disposals | - | - | 0.38 | - | - | - | - | 0.38 | - | 0.38 | - | 0.38 |
| As at March 31, 2022 | - | 111.28 | 181.92 | 13.51 | 6.53 | 14.90 | 45.80 | 373.94 | - | 373.94 | - | 373.94 |

| Accumulated Depreciation | Tangible Assets | | | | | | | | | | Intangible Assets (B) | Total |
|-----------------------------|-----------------|-------------|-------------------|--------------|------------------------|--------------------|--------------|---------------|---|---------------|-----------------------|---------------|
| | Land | Building | Plant & Machinery | Computer | Furniture and Fixtures | Office Equipment's | Vehicles | Total (A) | | | | |
| As at April 1, 2020 | - | - | 96.79 | 9.09 | 5.32 | 7.68 | 55.56 | 174.44 | - | 174.44 | - | 174.44 |
| for the period | - | - | 11.04 | 0.52 | 0.19 | 0.73 | 6.25 | 18.73 | - | 18.73 | - | 18.73 |
| Adjustments | - | - | - | - | - | - | 40.91 | 40.91 | - | - | - | 40.91 |
| As at March 31, 2021 | - | - | 107.83 | 9.61 | 5.51 | 8.41 | 20.90 | 152.26 | - | 152.26 | - | 152.26 |
| for the period | - | 2.70 | 10.36 | 1.71 | 0.18 | 2.03 | 6.45 | 23.43 | - | 23.43 | - | 23.43 |
| Adjustments | - | - | 0.13 | - | - | - | - | 0.13 | - | 0.13 | - | 0.13 |
| As at March 31, 2022 | - | 2.70 | 118.06 | 11.32 | 5.69 | 10.44 | 27.35 | 175.56 | - | 175.56 | - | 175.56 |

| Net Carrying Value | Tangible Assets | | | | | | | | | | Intangible Assets (B) | Total |
|-----------------------------|-----------------|---------------|-------------------|-------------|------------------------|--------------------|--------------|---------------|---|---------------|-----------------------|---------------|
| | Land | Building | Plant & Machinery | Computer | Furniture and Fixtures | Office Equipment's | Vehicles | Total (A) | | | | |
| As at March 31, 2021 | - | 111.28 | 74.31 | 3.90 | 1.02 | 4.61 | 24.90 | 220.02 | - | 220.02 | - | 220.02 |
| As at March 31, 2022 | - | 108.58 | 63.86 | 2.19 | 0.84 | 4.46 | 18.45 | 198.38 | - | 198.38 | - | 198.38 |

Note No.11 : Deferred Tax (Assets)/ Liability (Net)

(Rs. in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| (a) Deferred Tax Assets | | |
| Employee benefits and Other Expenses u/s 43B | - | - |
| On Account of Depreciation of Property Plant and Equipment | (1.10) | (2.58) |
| (b) Deferred Tax Liability | | |
| Net deferred tax asset/ (liability) (a-b) | (1.10) | (2.58) |

Note No.12: Other Non Financial Assets

(Rs. in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|-------------------------------------|----------------------|----------------------|
| Unsecured, considered good | | |
| Balance with government authorities | | |
| Goods and Service Tax | 21.67 | 23.76 |
| Others | 14.26 | 16.81 |
| Security Deposit | 67.75 | 17.27 |
| Advances with Trade Payable | 15.42 | - |
| Prepaid Expenses | 44.65 | - |
| Others | 15.54 | - |
| Total | 179.29 | 57.84 |

Security deposits are primarily in relation to public utility services and/or with depositories, exchange and other similar entities. There are no outstanding debts from directors or other officers of the Company.

Note No.13: Trade Payables

(Rs. in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--------------------------------|----------------------|----------------------|
| Unsecured, considered good | | |
| i) Micro and Small Enterprises | - | - |
| ii) Others | 54.37 | 102.37 |
| Total | 54.37 | 102.37 |

Trade Payables aging schedule

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| Micro and Small Enterprises | | |
| Disputed-MSME | - | - |
| Undisputed- MSME | - | - |
| Other than Micro and Small Enterprises | | |
| Disputed | - | - |
| Less than 1 Years | - | - |
| 1-2 Years | 8.54 | 8.54 |
| 2-3 Years | - | - |
| More Than 3 Years | - | - |
| | 8.54 | 8.54 |
| Undisputed Other than Micro and Small Enterprises | | |
| Less than 1 Years | | |
| 1-2 Years | 45.83 | 93.83 |
| 2-3 Years | | |
| More Than 3 Years | | |
| | 45.83 | 93.83 |
| Total | 54.37 | 102.37 |

Note No.14 : Borrowings

(Rs. in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--------------------------------------|----------------------|----------------------|
| Long Term Borrowings | | |
| Secured Loans (Term Loans) | | |
| Vehicles Loans from Banks | 19.88 | 26.02 |
| Unsecured Loans (Term Loans) | | |
| (a) Loan form Related Party | | |
| Directors | 108.70 | 41.00 |
| Inter-Corporate Loans | - | 40.20 |
| Others | - | 4.00 |
| (b) Loan form Others | | |
| Loan form Banks | 42.40 | 40.68 |
| Intercorporate | 4.81 | 11.94 |
| Total | 175.79 | 163.84 |
| Less : Current Maturities | 33.44 | 34.39 |
| Total (A) | 142.35 | 129.45 |
| Short Term Borrowings | | |
| Unsecured Loans, Repayable on demand | | |
| Working Capital Loans from bank | 113.23 | 119.08 |
| Intercorporate Loans | 180.00 | - |
| Current Maturities | 33.44 | 34.39 |
| Total (B) | 326.67 | 153.47 |
| Total (A+B) | 469.02 | 282.92 |
| (a) With in India | 469.02 | 282.92 |
| (b) Outside India | - | - |
| Total | 469.02 | 282.92 |

Principal Amount of instalment due in next following year on long term debts are separately disclosed under Short Term Borrowings as Current Maturities on Long Term Debts.

Vehicle Loans are secured with respective vehicles.

The Company's borrowings are secured by (A) Primary Securities : (i) Hypothecation of the entire movable fixed assets of the company (ii) Hypothecation of the Current Assets, (B) Collateral Security of charge on Commercial land and Building situated at Unit No.308-B, 3rd Floor Tower-L, Sector-2, IMT Manesar Haryana (Element 9) 122052 of Holding Company 'Advik Capital Limited'.

Note No.15: Other Financial Liabilities

(Rs. in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| Creditors for other Liabilities/Expenses | 2.66 | 4.87 |
| Cheques Issued but not realised | 45.50 | - |
| Total | 48.16 | 4.87 |

Ageing

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| Disputed -MSME | Nil | Nil |
| Disputed -Others | Nil | Nil |
| Undisputed - MSME | Nil | Nil |
| Undisputed - Others | | |
| (Outstanding for following periods from due date of payment) | | |
| Less than 1 year | 48.16 | 4.87 |
| 1-2 years | Nil | Nil |
| 2-3 years | Nil | Nil |
| More than 3 years | Nil | Nil |
| Total | 48.16 | 4.87 |

Note No.16 : Other Non Financial Liabilities

(Rs. in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|----------------------------------|----------------------|----------------------|
| Advances received form customers | - | 4.30 |
| Salary and Bonus Payable | 2.00 | 1.33 |
| Statutory Dues | 5.63 | 1.20 |
| Security Received | 0.84 | - |
| Total | 8.47 | 6.83 |

Note No.17 : Equity Share Capital

(Rs. in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|----------------------|----------------------|
| Authorized Share Capital | | |
| 25,00,00,000 Equity Shares (Previous Year: 4,58,73,600) | | |
| Par Value of Each Equity Share is Re.1/- | 2,500.00 | 458.74 |
| | 2,500.00 | 458.74 |
| Issued Share Capital | | |
| 4,58,73,600 Equity Shares (Previous Year: 4,58,73,600) | | |
| Par Value of Each Equity Share is Re.1/- | 458.74 | 458.74 |
| | 458.74 | 458.74 |
| Subscribed and Fully Paid-up | | |
| 4,58,73,600 Equity Shares (Previous Year: 4,58,73,600) | | |
| Par Value of Each Equity Share is Re.1/- | 458.74 | 458.74 |
| TOTAL | 458.74 | 458.74 |

a) The details of Shareholders holding more than 5% shares :

| Name of the Shareholder | As at March 31, 2022 | | As at March 31, 2021 | |
|----------------------------|----------------------|--------|----------------------|--------|
| | No. of shares | % held | No. of shares | % held |
| Virender Kumar Agarwal | 13800000 | 30.08% | 17236600 | 37.57% |
| Shakul Kumar Agarwal | 3584000 | 7.81% | 35,84,000 | 7.81% |
| Manju Agarwal | - | - | 3396000 | 7.40% |
| Virender Kumar Agarwal HUF | - | - | 2397500 | 5.23% |

b) Shareholding of promoters of the Company:

| Name of the Shareholder | As at March 31, 2022 | | (% of change during the year) | As at March 31, 2021 | |
|----------------------------|----------------------|--------|-------------------------------|----------------------|--------|
| | No. of shares | % held | | No. of shares | % held |
| Virender Kumar Agarwal | 13800000 | 30.08% | (7.49%) | 1,72,36,600 | 37.57% |
| Shakul Kumar Agarwal | 3584000 | 7.81% | - | 35,84,000 | 7.81% |
| Manju Agarwal | - | - | (7.40%) | 33,96,000 | 7.40% |
| Virender Kumar Agarwal HUF | - | - | (5.23%) | 23,97,500 | 5.23% |
| Rishab Kumar Agarwal | - | - | (1.05%) | 4,82,036 | 1.05% |

c) The reconciliation of the number of shares outstanding as at year end is set out below :

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|----------------------|----------------------|
| | No. of shares | No. of shares |
| Equity Shares at the beginning of the year | 4,58,73,600 | 4,58,73,600 |
| Add : Fresh Equity Shares allotted during the year | - | - |
| Add : Bonus Shares allotted during the year | - | - |
| Less : Equity Shares forfeited/ bought back during the year | - | - |
| Equity Shares at the end of the year | 4,58,73,600 | 4,58,73,600 |

d) The Company has not issued any Bonus Share(s) during the last five Financial Years.

e) The Company has not buy back any Share(s) during the last five Financial Years.

f) The Company has not forfeited Share(s) during the last five Financial Years.

g) The company has not issued any securities convertible into shares.

h) Terms attached to Equity Shares

The rights, powers and preference relating to each class of Share and the qualifications limitations and restrictions thereof are contained in the Memorandum and Articles of Association of the Company.

The company has only one class of Equity Shares having a par value of Rs.10 per shares. Each holder of equity shares is entitled to one vote per share. Any shareholder whose name is entered in the Register of Members of the company shall enjoy the same rights and be subject to the same liabilities as all other shareholders of the same class.

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of winding up/ liquidation of the company, Equity Shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. For the said purpose, the liquidator may set such value as he deems fair upon any property to be divided and may determine how such division shall be carried out between the members.

Note No.18 : Other Equity

(Rs. in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| (A) Reserves and Surplus | | |
| (a) Amalgamation Reserve | | |
| Opening Balance | 44.17 | 44.17 |
| Add : Received/ utilised during the Year | - | - |
| Total (a) | 44.17 | 44.17 |
| (b) Security Premium | | |
| Opening Balance | 357.20 | 357.20 |
| Add : Received/ utilised during the Year | - | - |
| Total (b) | 357.20 | 357.20 |
| (c) Retained Earnings | | |
| Balance at the beginning of the year | 46.56 | 41.82 |
| Add : Profit/(Loss) for the year | 44.76 | 5.81 |
| Less : Special Reserve | 8.23 | 0.78 |
| Less : Reserve for Bad & Doubtful Debts | 2.06 | 0.26 |
| Less : Contingency Reserve | 0.33 | 0.03 |
| Total (C) | 80.70 | 46.56 |
| (d) Special Reserve* | | |
| Opening Balance | 7.78 | 7.00 |
| Add : Received/ utilised during the Year | 8.23 | 0.78 |
| Total (d) | 16.01 | 7.78 |
| (e) Reserve for Bad & Doubtful Debts [@] | | |
| Opening Balance | 4.23 | 3.97 |
| Add : Received/ utilised during the Year | 2.06 | 0.26 |
| Total (e) | 6.29 | 4.23 |
| (f) Contingency Reserve [§] | | |
| Opening Balance | 1.62 | 1.59 |
| Add/ (less) during the Year | 0.33 | 0.03 |
| Total (f) | 1.95 | 1.62 |
| (g) Capital Reserve | | |
| Opening Balance | 1.60 | 1.60 |
| Add : Received/ utilised during the Year | - | - |
| Total (g) | 1.60 | 1.60 |
| Total (a+b+c+d+e+f+g) | 507.92 | 463.16 |
| (B) Equity Instruments through Other Comprehensive Incomes | - | - |
| (C) Other Items of Other Comprehensive Incomes | - | - |
| (C) Non Controlling Interest | 117.82 | 115.20 |
| Total (A+B+C) | 625.74 | 578.36 |

*Special Reserve as per RBI Norms

As per Section 45-1C (1) of Reserve Bank of India Act, 1934, every non-banking financial company shall create a reserve fund and transfer therein a sum not less than twenty per cent. of its net profit every year as disclosed in the the profit and loss account and before any dividend is declared.

[@] Reserve for Bad & Doubtful Debts As per Income Tax Provisions

Reserve for Bad & doubtful debts has been Created as per provisions of Section 36(1)(via)(d) of Income Tax Act,1961

[§] Contingent Reserve

The provision towards standard assets based on IRACP norms of RBI.

Note No.19 : Other Incomes

(Rs. in lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---------------------------|---------------------------|
| Profit on sale of Fixed Assets | 0.25 | 0.80 |
| Other non Operating Incomes | 10.06 | 1.22 |
| Interest Income | - | - |
| From Banks | 1.18 | - |
| From Others | 0.08 | 0.09 |
| Foreign Exchange Fluctuation Gain (Net) | 0.25 | - |
| Total | 11.82 | 2.11 |

Note No. 20 : Finance Costs

(Rs. in lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|-----------------------|---------------------------|---------------------------|
| Interest on Loans | 19.46 | 20.75 |
| Other Financial Costs | 1.05 | 1.10 |
| Total | 20.51 | 21.85 |

Note No. 21 : Purchases of Stock in Trade

(Rs. in lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|-------------------------|---------------------------|---------------------------|
| Purchases of Securities | 3,944.10 | - |
| Total | 3,944.10 | - |

Note No. 22 : Change in Inventories of Finished Goods, WIP and Stock-in-Trade

(Rs. in lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---------------------------|---------------------------|---------------------------|
| Opening Stock | | |
| Finished Goods | 69.02 | 76.02 |
| Work in Progress | - | - |
| Securities held for trade | - | - |
| | 69.02 | 76.02 |
| Closing Stock | | |
| Finished Goods | 64.46 | 69.02 |
| Work in Progress | - | - |
| Securities held for trade | 91.63 | - |
| | 156.09 | 69.02 |
| Total | (87.07) | 7.00 |

Note No. 23 : Employee Benefit Expenses

(Rs. in lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---------------------------------|---------------------------|---------------------------|
| Salaries, Wages and Bonus | 34.89 | 30.95 |
| Director Remuneration | 27.00 | 27.00 |
| Staff Welfare and Other Expense | 1.72 | 2.09 |
| Total | 63.61 | 60.04 |

Note No. 24 : Depreciation and Amortisation Expenses

(Rs. in lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|-----------------------------------|---------------------------|---------------------------|
| Depreciation on tangible assets | 23.43 | 18.74 |
| Amortisation on intangible assets | - | - |
| Total | 23.43 | 18.74 |

Note No. 25 : Other Expenses

(Rs. in lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|---------------------------|---------------------------|
| Consumption of Stores and Spares | 1.01 | 3.41 |
| Power and Fuel | 9.21 | 10.04 |
| Repair & Maintenance to Building | 0.90 | - |
| Repair & Maintenance to Machinery | 2.76 | 0.24 |
| Repair & Maintenance to others | 0.08 | 7.75 |
| Rent | 14.09 | 13.64 |
| Insurance Expenses | 0.97 | 1.42 |
| Rates and Taxes | 1.13 | 6.39 |
| Other Manufacturing Expenses | 12.48 | 10.77 |
| Audit Fee | 0.42 | 0.46 |
| Business Promotional Expenses | 1.10 | 1.48 |
| Commission | - | 0.64 |
| Donations | - | 0.08 |
| Fee and Subscriptions | 3.71 | 0.48 |
| Freight outward | 1.03 | 1.99 |
| Professional, Consultancy and Legal Expenses | 2.53 | 2.96 |
| Rebate and Discount | 1.61 | - |
| Security Charges | 0.03 | 0.42 |
| Telephone and Internet Expenses | 0.86 | 0.22 |
| Travelling and Conveyance | 1.58 | 0.96 |
| Vehicle Running & Maintenance | 4.65 | 5.78 |
| Other Miscellaneous Expenses | 4.58 | 2.42 |
| Total | 64.73 | 71.55 |

Note No. 26: Earning per Share

(Rs. in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| Basic | | |
| Weighted average no. of Equity Shares outstanding | 4,58,73,600 | 4,58,73,600 |
| Net Profit After Tax | 47.38 | 7.20 |
| Basic Earnings per Share | 0.10 | 0.02 |
| Diluted Earnings per Share | | |
| Weighted average no. of Equity Shares outstanding | 4,58,73,600 | 4,58,73,600 |
| Adjusted Profit After Tax attributable to Equity Share Holders (Rs.) | 47.38 | 7.20 |
| Diluted Earnings per Share | 0.10 | 0.02 |
| Nominal Value per Share | 1.00 | 1.00 |

Note No.27 : Contingent liabilities and commitments (to the extent not provided for)

(Rs. in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| Contingent liabilities | | |
| Claims against the Company not acknowledged as debt | Nil | Nil |
| Collateral Security against subsidiaries | 142.84 | Nil |
| Other money for which the Company is contingently liable | Nil | Nil |
| Commitments | Nil | Nil |

Note No.28 : Foreign Currency Transactions Details

(Rs. in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|----------------------|----------------------|
| CIF Values of Imports: | | |
| Travelling Exp | 92.15 | 149.79 |
| Professional and Consultancy | Nil | Nil |
| Other matters | Nil | Nil |
| Expenditure in Foreign Currency: | | |
| Travelling Exp | Nil | Nil |
| Professional and Consultancy | Nil | Nil |
| Other matters | Nil | Nil |
| Earning In Foreign Currency: | | |
| Professional and Consultancy | Nil | Nil |
| Other matters | Nil | Nil |

Note No.29: Tax Expenses

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---------------------------|---------------------------|
| Current Tax | 14.44 | 2.33 |
| Income Tax for Earlier years | | |
| Deferred Tax (Credit)/ charge | 1.47 | 0.26 |
| Tax Expenses reported in the Statement of profit and Loss Account | 15.91 | 2.59 |

The major components of tax expense and its reconciliation to expected tax expense based on the enacted tax rate applicable to the Company is 25.168% (March 31, 2021: 25.168%) and the reported tax expense in statement of profit and loss are as follows:

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|---------------------------|---------------------------|
| Accounting (loss)]profit before tax expense | 63.29 | 9.79 |
| Income tax rate | 25.168% | 25.168% |
| Expected tax expense | 15.93 | 2.46 |
| Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense | | |
| Tax impact of expenses which is non deductible | - | - |
| Tax impact on items exempt under income tax | - | - |
| Impact of change in tax rates | - | - |
| Income tax for earlier years | - | - |
| Others | (0.02) | 0.13 |
| Tax expense | 15.91 | 2.59 |

Note No. 30: Details of dues to Micro and Small Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006.

(Rs. in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| Principal amount remaining unpaid to any supplier as at the end of the accounting year. | Nil | Nil |
| Interest due thereon remaining unpaid to any supplier as at the end of the accounting year. | Nil | Nil |
| The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day . | Nil | Nil |
| The amount of interest due and payable for the year. | Nil | Nil |
| The amount of interest accrued and remaining unpaid at the end of the accounting year. | Nil | Nil |
| The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid. | Nil | Nil |

Note No.31: Capital Management

The primary objective of the Company's capital management policy is to ensure that the Company complies with capital adequacy requirements required by the Reserve Bank of India and maintain strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholder value.

The Company's capital management objectives are

– to ensure the Company's ability to continue as a going concern

- to comply with externally imposed capital requirement and maintain strong credit ratings
- to provide an adequate return to shareholders

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the sub-ordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets (including investments in Subsidiary companies). In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---------------------------------|----------------------|----------------------|
| Net Debt* | 441.81 | 272.38 |
| Total Equity | 1,076.24 | 1,031.25 |
| Net debt to equity ratio | 0.41 | 0.26 |

* Net debt includes debt securities + borrowings other than debt securities + sub-ordinated liabilities + interest accrued – cash and cash equivalents – bank balances other than cash and cash equivalents.

Note No. 32: Maturity Analysis Of Assets And Liabilities

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities.

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|--|----------------------|-----------------|----------------------|-----------------|
| | Within 12 months | After 12 months | Within 12 months | After 12 months |
| ASSETS | | | | |
| Financial Assets | | | | |
| (a) Cash and Cash Equivalents | 26.06 | - | 9.46 | - |
| (b) Bank Balances other than Cash and Cash Equivalents | 1.15 | - | 1.08 | - |
| (c) Trade Receivables | 101.77 | - | 236.73 | - |
| (d) Loans | 731.00 | - | 605.00 | - |
| (e) Investments | - | - | - | - |
| (f) Others Financial Assets | 72.39 | - | 45.83 | - |
| | 932.37 | - | 898.10 | - |
| Non Financial Assets | | | | |
| (a) Inventories | 359.55 | - | 253.89 | - |
| (b) Current Tax Assets (net) | - | - | 1.66 | - |
| (c) Property, Plant & Equipment's | - | 198.38 | - | 220.02 |
| (d) Capital Work in Progress | - | - | - | - |
| (e) Deferred Tax Assets | - | 1.10 | - | 2.58 |
| (f) Other Non Financial Assets | 179.29 | - | 57.84 | - |
| | 538.84 | 199.48 | 313.39 | 222.60 |
| TOTAL ASSETS | 1,471.21 | 199.48 | 1,211.49 | 222.60 |

| EQUITY AND LIABILITIES | | | | |
|--|---------------|---------------|---------------|---------------|
| Liabilities | | | | |
| Financial Liabilities | | | | |
| (a) Trade Payables | | | | |
| (i) Total Outstanding of MSME | - | - | - | - |
| (ii) Total Outstanding other than MSME | 54.37 | - | 102.37 | - |
| (b) Borrowings | 435.37 | 33.65 | 230.30 | 52.62 |
| (c) Other Financial Liabilities | 48.16 | - | 4.87 | - |
| | 537.90 | 33.65 | 337.54 | 52.62 |
| Non Financial Liabilities | | | | |
| (a) Current Tax Liabilities (net) | 6.19 | - | - | - |
| (b) Other Non Financial Liabilities | 8.47 | - | 6.83 | - |
| | 14.66 | - | 6.83 | - |
| Total Liabilities | 552.56 | 33.65 | 344.37 | 52.62 |
| Net Equity | 918.65 | 165.83 | 867.12 | 169.98 |

Note No.33: Related Party Disclosures
a) List of related parties and relationship (as identified by the management).
i) Subsidiaries

Advik Optoelectronics Ltd.

ii) Key Management Personnel's (KMP) :

| | |
|----------------------------|---|
| Mr. Virender Kumar Agarwal | (Managing Director) |
| Mr. Shakul Kumar Agarwal | (Whole Time Director) |
| Mrs. Manju Agarwal | (Director) |
| Mr. Madhur Bansal | (Director, w.e.f. 07.04.2022) |
| Mr. Hemant Gupta | (Independent Director, ceased from 07.04.2022) |
| Mr. Vineet Gupta | (Independent Director, ceased from 28.12.2021) |
| Mr. Chetna | (Independent Director, ceased from 28.12.2021) |
| Ms. Sony Kumari | (Independent Director, w.e.f 28.12.2021) |
| Ms. Gunjan jha | (Independent Director, w.e.f 28.12.2021) |
| Mr. Om Prakash Aggarwal | (Independent Director, w.e.f 07.04.2022) |
| Mr. Rishabh Agarwal | (Chief Financial Officer, ceased from 07.04.2022) |
| Mr. Madhur Bansal | (Chief Financial Officer, w.e.f. 07.04.2022) |
| Ms. Poonam Mehta | (Company Secretary, ceased from 28.12.2021) |
| Ms. Rashika Gupta | (Company Secretary, w.e.f 28.12.2021) |

iii) Enterprise over which KMP and their relatives exercise significant influence

Advik Global Limited
 Altolite Electro Signs Private Limited
 Arrow Signs Private Limited

b) Transactions with related parties:

(Rs. in lakhs)

| Nature of Transaction | Trasaction with | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---------------------------|--|------------------------------|------------------------------|
| Remunerations | Mr. Virender Kumar Agarwal | 12.00 | 12.00 |
| Remunerations | Mr. Shakul Kumar Agarwal | 1.50 | 6.00 |
| Remunerations | Mr. Rishabh Agarwal | 10.50 | 6.00 |
| Remunerations | Ms. Manju Agarwal | 9.00 | 9.00 |
| Remunerations | Ms. Poonam Mehta | 1.10 | 1.07 |
| Remunerations | Ms. Rashika Gupta | 1.30 | - |
| | | | |
| Receiveing of Loan | Mr. Virender Kumar Agarwal | 140.20 | 16.00 |
| Receiveing of Loan | Mrs. Manju Agarwal | 20.00 | 5.00 |
| | | | |
| Repayment of Loan | Mr. Virender Kumar Agarwal | 92.50 | 5.00 |
| Repayment of Loan | Mrs. Manju Agarwal | 4.00 | 1.00 |
| Repayment of Loan | Advik Global Limited | 14.50 | - |
| Repayment of Loan | Altolite Electro Signs Private Limited | 25.70 | - |
| | | | |
| Rental Expenses | Mr. Shakul Kumar Agarwal | 12.00 | 12.00 |
| | | | |
| Security Deposit Received | from Advik Optoelectronics Ltd. | - | 2.50 |
| | | | |
| Security Deposit Repaid | to Advik Optoelectronics Ltd. | 2.50 | - |

c) **Balance as at the end of the year:** (Rs. in lakhs)

| Nature of Balance | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| Remuneration Payable | | |
| Ms. Manju Agarwal | 0.25 | 0.25 |
| Mr. Shakul Kumar Agarwal | - | 0.50 |
| Mr. Rishabh Agarwal | 1.00 | 0.50 |
| Ms. Poonam Mehta | - | 0.11 |
| Ms. Rashika Gupta | 0.43 | - |
| | | |
| Unsecured Loan | | |
| Mr. Virender Kumar Agarwal | 88.70 | 41.00 |
| Mrs. Manju Agarwal | 20.00 | 4.00 |
| Advik Global Limited | - | 14.50 |
| Altolite Electro Signs Private Limited | - | 25.70 |
| | | |
| Security Deposit | | |
| Advik Optoelectronics Ltd. | - | 2.50 |

Note No.34: Financial Instruments
(A) Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

| Particulars | Note No. | As at March 31, 2022 | As at March 31, 2021 |
|---|------------|----------------------|----------------------|
| Financial assets measured at fair value | | NIL | NIL |
| Financial assets measured at amortized cost | | | |
| Cash and cash equivalents | Note No.3 | 26.06 | 9.46 |
| Bank Balances other than Cash and Cash Equivalents | Note No.4 | 1.15 | 1.08 |
| Trade Receivable | Note No.5 | 101.77 | 236.73 |
| Loans | Note No.6 | 731.00 | 605.00 |
| Investments | | - | - |
| Others Financial Assets | Note No.7 | 72.39 | 45.83 |
| Total | | 932.37 | 898.10 |
| | | | |
| Financial Liability measured at fair value | | | |
| Financial liabilities measured at amortized cost | | | |
| Trade Payable | Note No.13 | 54.37 | 102.37 |
| Borrowings | Note No.14 | 469.02 | 282.92 |
| Other Financial Liabilities | Note No.15 | 48.16 | 4.87 |
| Total | | 571.55 | 390.16 |

(B) Fair values hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statements and are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

The categories used are as follows:

Level 1: Quoted prices (unadjusted) for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs).

Valuation technique used to determine fair value

The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received). Subsequent to initial recognition, the Company determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method, market comparable method, recent transactions happened in the Company and other valuation models. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

Eligible loans valued by discounting the aggregate future cash flows (both principal and interest cash flows) with credit risk-adjusted discounting rate for the remaining portfolio tenor. The Company has considered the average valuation impact arrived using risk free, cost of funds and yield free securitization approach.

The use of net asset value for certificate of deposits and mutual funds on the basis of the statement received from investee party.

(C) Fair value of instruments measured at amortized cost

Fair value of instruments measured at amortized cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

Financial assets measured at amortized cost

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|--|----------------------|---------------|----------------------|---------------|
| | Carrying value | Fair value | Carrying value | Fair value |
| Cash and cash equivalents | 26.06 | 26.06 | 9.46 | 9.46 |
| Bank Balances other than Cash and Cash Equivalents | 1.15 | 1.15 | 1.08 | 1.08 |
| Trade Receivable | 101.77 | 101.77 | 236.73 | 236.73 |
| Loans | 731.00 | 731.00 | 605.00 | 605.00 |
| Investments | - | - | - | - |
| Others Financial Assets | 72.39 | 72.39 | 45.83 | 45.83 |
| Total | 932.37 | 932.37 | 898.10 | 898.10 |

Financial Liabilities measured at amortized cost

| Particulars | - | | - | |
|-----------------------------|----------------|---------------|----------------|---------------|
| | Carrying value | Fair value | Carrying value | Fair value |
| Trade Payable | 54.37 | 54.37 | 102.37 | 102.37 |
| Borrowings | 469.02 | 469.02 | 282.92 | 282.92 |
| Other Financial Liabilities | 48.16 | 48.16 | 4.87 | 4.87 |
| Total | 571.55 | 571.55 | 390.16 | 390.16 |

The management assessed that fair values of cash and cash equivalents, other bank balances, trade receivables and trade payables approximate their respective carrying amounts, largely due to the short-term maturities of these instruments.

Note No.35: Financial Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company risk management framework. The Company manages the risk basis policies approved by the board of directors. The board of directors provides written principles for overall risk management.

A) Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, investments, loan assets, trade receivables and other financial assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Credit Risk Management

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. The Company assigns the following Credit ratings to each class of financial assets based on the assumption, Input and factor specific to the class of financial assets.

- (i) Low credit risk
- (ii) Moderate credit risk
- (iii) High credit risk

The company provides for expected credit loss based on the following:

| Nature | Assets covered | Basis of expected credit loss |
|----------------------|---|---|
| Low credit risk | Cash and cash equivalents (excluding cash on hand), other bank balances, investments, loans, trade receivables and other financial assets | Life time expected credit loss or 12 month expected credit loss |
| Moderate credit risk | Loans and other financial assets | Life time expected credit loss or 12 month expected credit loss |
| High credit risk | Loans | Life time expected credit loss or fully provided for |

B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities (other than derivatives) that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due. The Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors the Company's liquidity positions (also comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. The Company also takes into account liquidity of the market in which the entity operates.

Note No.36: Segment Reporting

The Company operates in two reportable segment i.e. financing and Trade in securities, for the purpose of Ind AS 108 "Operating segments" informations related to such business segments have given below. The Company derives its major revenues from financing activities and its customers are widespread. Further, the Company operates only in India which is considered as a single geographical segment.

Segment Reporting for the year Ended March 31, 2022

(a) Information related to Balance Sheet items:

(Rs. in lakhs)

| Particulars | Loans | Trade in Securities | Others | Un-allocable | Total |
|-----------------------------|---------------|---------------------|---------------|---------------|-----------------|
| As on March 31, 2022 | | | | | |
| Segment Assets | 781.40 | 111.43 | 558.75 | | 1,451.58 |
| Unallocable Assets | | | | 219.11 | 219.11 |
| Total Assets | 781.40 | 111.43 | 558.75 | 219.11 | 1,670.69 |
| Segment Liabilities | 109.04 | 80.85 | 284.24 | | 474.13 |
| Unallocable Liabilities | | | | 112.09 | 112.09 |
| Total Liabilities | 109.04 | 80.85 | 284.24 | 112.09 | 586.22 |

(b) Information Related to Profit and Loss items:

(Rs. in lakhs)

| Particulars | Loans | Trade in Securities | Others | Un-allocable | Total |
|--|--------------|---------------------|---------------|---------------|-----------------|
| Interest Income | 54.10 | - | - | - | 54.10 |
| Rental Income | - | - | - | 9.00 | 9.00 |
| Fee and Commission Income | - | - | - | 14.50 | 14.50 |
| Sale of Securities | - | 3,871.92 | - | - | 3,871.92 |
| Sale of Goods | - | - | 696.38 | - | 696.38 |
| I. Revenue From Operations | 54.10 | 3,871.92 | 696.38 | 23.50 | 4,645.90 |
| II. Other Incomes | | | 11.82 | - | 11.82 |
| III. Total Income (I+II) | 54.10 | 3,871.92 | 708.20 | 23.50 | 4,657.72 |
| IV. Expenses | | | | | |
| (a) Finance Costs | 0.02 | - | 20.49 | - | 20.51 |
| (b) Cost of Materials Consumed | - | - | 565.12 | - | 565.12 |
| (c) Purchases of Stock in Trade | - | 3,944.10 | - | - | 3,944.10 |
| (d) Change in Inventories | - | (91.63) | 4.57 | - | (87.06) |
| (e) Employee Benefits Expenses | 3.26 | 7.03 | 32.46 | 20.86 | 63.61 |
| (f) Depreciation and Amortisation Expenses | - | - | 20.54 | 2.89 | 23.43 |
| (g) Other Expenses | 0.40 | 2.92 | 55.71 | 5.69 | 64.72 |
| Total Expenses (IV) | 3.68 | 3,862.42 | 698.89 | 29.44 | 4,594.43 |
| V. Profit/ (Loss) Before Tax (V-VI) | 50.42 | 9.50 | 9.31 | (5.94) | 63.29 |
| VI. Tax Expense: | | | | | 15.91 |
| VII Profit/ (Loss) for the Period (VIII-IX) | | | | | 47.38 |

Segment Reporting for the year Ended March 31, 2021
(a) Information related to Balance Sheet items:

(Rs. in lakhs)

| Particulars | Loans | Trade in Securities | Others | Un-allocable | Total |
|-----------------------------|---------------|---------------------|---------------|---------------|-----------------|
| As on March 31, 2021 | | | | | |
| Segment Assets | 650.45 | - | 668.16 | - | 1,318.61 |
| Unallocable Assets | - | - | - | 115.48 | 115.48 |
| Total Assets | 650.45 | - | 668.16 | 115.48 | 1,434.09 |
| Segment Liabilities | 2.89 | - | 393.13 | - | 396.02 |
| Unallocable Liabilities | - | - | - | 0.97 | 0.97 |
| Total Liabilities | 2.89 | - | 393.13 | 0.97 | 396.99 |

(b) Information Related to Profit and Loss items:

(Rs. in lakhs)

| Particulars | Loans | Trade in Securities | Others | Un-allocable | Total |
|--|--------------|---------------------|---------------|----------------|---------------|
| Interest Income | 47.71 | - | - | - | 47.71 |
| Rental Income | - | - | - | - | - |
| Fee and Commission Income | - | - | - | - | - |
| Sale of Securities | - | - | - | - | - |
| Sale of Goods | - | - | 578.15 | - | 578.15 |
| I. Revenue From Operations | 47.71 | - | 578.15 | - | 625.86 |
| II. Other Incomes | - | - | 1.30 | 0.80 | 2.10 |
| III. Total Income (I+II) | 47.71 | - | 579.45 | 0.80 | 627.96 |
| IV. Expenses | | | | | |
| (a) Finance Costs | - | - | 21.84 | - | 21.84 |
| (b) Cost of Materials Consumed | - | - | 439.00 | - | 439.00 |
| (c) Purchases of Stock in Trade | - | - | - | - | - |
| (d) Change in Inventories | - | - | 6.99 | - | 6.99 |
| (e) Employee Benefits Expenses | 7.72 | - | 27.89 | 24.44 | 60.05 |
| (f) Depreciation and Amortisation Expenses | - | - | 18.62 | 0.12 | 18.74 |
| (g) Other Expenses | 1.56 | - | 60.51 | 9.48 | 71.55 |
| Total Expenses (IV) | 9.28 | - | 574.85 | 34.04 | 618.17 |
| V. Profit/ (Loss) Before Tax (V-VI) | 38.43 | - | 4.60 | (33.24) | 9.79 |
| VI. Tax Expense: | | | | | 2.59 |
| VII Profit/ (Loss) for the Period (VIII-IX) | | | | | 7.20 |

Note No.37: Significant Accounting Ratios

| S. No. | Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--------|-----------------------------------|----------------------|----------------------|
| (a) | Current Ratio, | 3.58 | 4.37 |
| (b) | Debt-Equity Ratio, | 0.43 | 0.27 |
| (c) | Debt Service Coverage Ratio, | 5.23 | 2.31 |
| (d) | Return on Equity Ratio, | 0.04 | 0.01 |
| (e) | Inventory turnover ratio, | 12.92 | 2.47 |
| (f) | Trade Receivables turnover ratio, | 45.65 | 2.64 |
| (g) | Trade payables turnover ratio, | 85.45 | 6.11 |
| (h) | Net capital turnover ratio, | 4.38 | 0.67 |
| (i) | Net profit ratio, | 0.01 | 0.01 |
| (j) | Return on Capital employed, | 0.09 | 0.04 |

Methodology:

1. Current Ratio = Current Asset / Current Liability
2. Debt-Equity Ratio = Total Debt / (Total Equity)
3. Debt Service Coverage Ratio = EBITDA / Finance Cost

4. Return on Equity Ratio = (Profit After Tax-Contingent Reserve) / (Total Equity-Contingent Reserve)
5. Inventory Turnover Ratio = Revenue from Operations / (Inventory)
6. Trade Receivable Turnover Ratio = Revenue from Operations / Trade Receivable
7. Trade Payable Turnover Ratio = Revenue from Operations / Trade Payable
8. Net Capital Turnover Ratio = Revenue from Operations / (Current Asset - Current Liability)
9. Net Profit Ratio = Profit After Tax / Total Income
- 10 Return on Capital Employed= EBIT/ (Total Assets-Current Liabilities)

Note No.37A: Additional Regulatory Information

- i The Company has neither any capital work in progress of Property, Plant and Equipment nor any intangible assets under development.
- ii Funds borrowed from banks have been utilised for the same purpose for which they were raised during the year.
- iii During the year, the company has not revalued its Property, Plant and Equipment's. The Company has not any immovable properties.
- vi During the year, no proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.
- v The Company has not provided any Loan to any person on behalf of other person other than its ordinary course of its NBFC business, hence disclosure under section 186 is not applicable to the company.
- vi During the year, the company has not been declare wilful defaulter by any bank or financial institution or any other lender.
- vii There is no charges or satisfaction yet to be registered with ROC beyond the statutory period.
- viii Details of significant investments in subsidiaries, associates and joint ventures

(% of Direct holdings)

| Particulars | Country of Incorporation | As at March 31, 2022 | As at March 31, 2021 |
|-------------------------------|--------------------------|----------------------|----------------------|
| Subsidiary companies | | | |
| Advik Optoelectronics Limited | India | 57.99% | 57.99% |
| Associates companies | | Nil | Nil |
| Joint Ventures | | Nil | Nil |

- ix The Company does not have any Scheme of Arrangements, which has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- x The company has not provided any material advanced or loan to any person, other than the purpose of non banking business . The Company has not made any further investment in other company's equity.
- xi During the year, the company has not traded, invest or perform any transaction in crypto or other virtual currency.
- xii There have been no material changes and commitments affecting the financial position of the company occurring after the end of the financial year except the company has issued certain equity shares on Right Issue basis to its shareholders as detailed herein below:

| Particulars | Amount/ Date |
|--|----------------------------|
| Date of Allotment | April 19, 2022 |
| Issue Size | Rs.4968.11 Lakhs |
| No. of fully paid up shares issued | 17,43,19,680 Equity shares |
| Face Value | Re.1 per Equity Share |
| Issue price (including a premium of Rs.1.85 per equity share | Rs.2.85 per Equity Share |
| Outstanding fully paid-up shares prior to right issue | 4,58,73,600 Equity shares |
| Outstanding fully paid-up shares post to right issue | 22,01,93,280 Equity shares |

Note No. 38:
Disclosure of Expected Credit Loss and Provisions Required as per Income Recognition and Asset Classification Norms

| Asset Classification as per RBI Norms | Asset classification as per Ind AS 109 | Gross Carrying Amount as per Ind AS | Loss Allowances (Provisions) as required under Ind AS 109 | Net Carrying Amount | Provisions required as per IRACP norms | Difference between Ind AS 109 provisions and IRACP norms |
|---|--|-------------------------------------|---|---------------------|--|--|
| Performing Assets | | | | | | |
| Standard | Stage-1 | 779.70 | - | 779.70 | 1.95 | (1.95) |
| Subtotal | | 779.70 | - | 779.70 | 1.95 | (1.95) |
| Non-Performing Assets (NPA) | | | | | | |
| Substandard | Stage-3 | - | - | - | - | - |
| Doubtful – up to 1 year | Stage-3 | - | - | - | - | - |
| 1 to 3 years | Stage-3 | - | - | - | - | - |
| More than 3 years | Stage-3 | - | - | - | - | - |
| Subtotal for doubtful | Stage-3 | - | - | - | - | - |
| Loss | Stage-3 | - | - | - | - | - |
| Subtotal for NPA | | - | - | - | - | - |
| Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms | Stage-1 | - | - | - | - | - |
| | Stage-2 | - | - | - | - | - |
| | Stage-3 | - | - | - | - | - |
| Subtotal | | - | - | - | - | - |
| Total | | 779.70 | - | 779.70 | 1.95 | (1.95) |

Note No. 39: Disclosures Related to Non performing Assets
(a) Sector wise Non performing Assets

| Particulars | (Percentage of NPAs to total advance to that sector) | |
|-------------------------------------|--|----------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| 1 Agriculture and allied activities | 0.00% | 0.00% |
| 2 MSME | 0.00% | 0.00% |
| 3 Corporate borrowers | 0.00% | 0.00% |
| 4 Services | 0.00% | 0.00% |
| 5 Unsecured personal loans | 0.00% | 0.00% |
| 6 Auto loans | 0.00% | 0.00% |
| 7 Other personal loans | 0.00% | 0.00% |

(b) Movement of NPAs

| Particulars | | |
|---|-------|-------|
| i) Net NPAs to net advance (%) | 0.00% | 0.00% |
| ii) Movement of NPAs | | |
| a) Opening balance | - | - |
| b) Addition during the year | - | - |
| c) Reduction/ write off during the year | - | - |
| d) Closing balance | - | - |
| iii) Movement of provisions for NPAs | | |
| a) Opening balance | - | - |
| b) Addition during the year | - | - |
| c) Reduction/ write off during the year | - | - |
| d) Closing balance | - | - |

(C) Detail of non-performing financial asset purchased/sold

The Company has not purchased/sold non-performing financial asset in the current and previous year.

Note No. 40: Additional Disclosures for RBI

- (a) Overseas assets (for those with Joint Ventures and subsidiaries abroad) – Nil (Previous year: Nil)
- (b) Draw down from reserves:- Nil (Previous year Nil)
- (c) Disclosure of Penalties imposed by RBI & other regulators: Nil (Previous year: Nil)
- (d) Registration obtained from other financial sector regulators:
The Company is registered with following other financial sector regulators:
 - (i) Ministry of Corporate Affairs (MCA]
 - (ii) Ministry of Finance (Financial Intelligence Unit)
 - (iii) Securities and Exchange Board of India (SEBI)
 - (iv) Central Registry of Securitization Asset Reconstruction and Security Interest of India (CERSAI)
- (e) Details of financing of parent Company product
This disclosure is not applicable as the Company does not have any holding/parent Company.
- (f) Exposures
 - (i) Exposure to real state sector:-Nil (Previous Year : Nil)
 - (ii) Exposure to capital market:-Nil (Previous Year : Nil)

Note No.41 : Others

- (a) Pursuant to section 135 of the Companies Act, 2013, CSR is applicable to every company having net worth of Rs 500 crore or more, or a turnover of over Rs 1,000 crore or a net profit exceeding Rs 5 crore in any financial year. Since the Company has not exceeded the limits specified above, provisions of Section 135 of the Companies Act, 2013 is not applicable to the Company.
- (b) The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956
- (c) The company has utilized the borrowed funds for the purpose for which it has been borrowed.
- (d) Other additional information pursuant to Schedule III to the Companies Act 2013 are either nil or not applicable.
- (e) The Previous year's figures have been reclassified /re-grouped and / or rearranged wherever considered necessary.
- (f) Figures have been rounded off to the nearest Rupee.

In terms of our report of even date annexed hereto

As per our report of even date attached
For **Garg Anil & Co.**
Chartered Accountants
Firm Reg. No.006308N

(Anil Garg)
Proprietor
M. No. 085017
UDIN: 22085017AJUCDL2057

Place: Delhi
Date: May 28, 2022

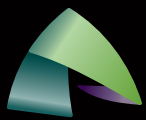
For and on behalf of the Board of
Advik Capital Limited

Shakul Kumar Agarwal
Whole Time Director
DIN:03590891

Virender Kumar Agarwal
Managing Director
DIN:00531255

Rashika Gupta
(Company Secretary)
PAN: BYIPG0832M

Madhur Bansal
(Chief Financial Officer)
PAN: BLHPB7356R



Advik Capital Limited

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