



Himadri Credit & Finance Limited

23rd Annual Report
2017-18

CORPORATE INFORMATION

CORPORATE IDENTIFICATION NUMBER (CIN)

L65921WB1994PLC062875

DIRECTORS

Mr. Bankey Lal Choudhary (DIN: 00173792)
Mr. Anurag Choudhary (DIN: 00173934)
Mr. Tushar Choudhary (DIN: 00174003)
Mr. Santosh Kumar Agrawala (DIN: 00364962)
Mr. Vipin Gupta (DIN: 02668336)
Mrs. Sucharita Basu De (DIN: 06921540)

COMPANY SECRETARY & CFO

Mr. Koushik Ranjan Saha

AUDITORS

M/S. S. JAYKISHAN
CHARTERED ACCOUNTANTS
Suite # 2D, 2E & 2F, 12 Ho-Chi- Minh Sarani
Kolkata – 700 071

BANKERS

Central Bank of India
ICICI Bank

SECRETARIAL AUDITOR

CS Samir Kumar Ghosh
AB-198, Sector 1, Salt Lake City, Kolkata - 700 064

REGISTERED OFFICE

23A, Netaji Subhas Road, 8th Floor, Kolkata – 700 001
Ph No.: (033) 2230-4363/9953
E-mail: hcfi@himadri.com, Website: www.himadricredit.in

CORPORATE OFFICE

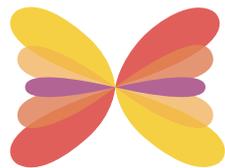
8, India Exchange Place
Ruby House, 2nd Floor, Kolkata - 700 001

REGISTRAR & SHARE TRANSFER AGENT

M/s. S.K. Infosolutions Pvt. Ltd
34/1A, Sudhir Chatterjee Street, Kolkata 700 006
Tel: (033) 2219 6797/ 4815
E-mail: contact@skcinfo.com/ skcdilip@gmail.com
Website: www.skcinfo.com

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Himadri

If undelivered please return to:

Himadri Credit & Finance Limited

Registered office:

23A Netaji Subhas Road
8th Floor Kolkata 700001

Himadri Credit & Finance Limited

CIN : L65921WB1994PLC062875

Regd. Office : 23A, Netaji Subhas Road, 8th Floor, Kolkata - 700 001

E-mail : hcfl@himadri.com website: www.himadricredit.in

Ph No. : (033) 2230-4363/ 9953

NOTICE

Notice is hereby given that the 23rd Annual General Meeting of the members of Himadri Credit & Finance Limited will be held at its Registered Office, 23A, Netaji Subhas Road, 8th Floor, Kolkata - 700 001 on **Friday, 28 September 2018 at 10:30 a.m.** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31 March 2018 together with the report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Tushar Choudhary (DIN: 00174003), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. **To determine fee for service of documents and consider, if thought fit, to pass, the following as an Ordinary Resolution:-**

“RESOLVED THAT consent of the members be and is hereby accorded pursuant to Section 20(2) of the Companies Act, 2013, for delivery of documents to a member of the Company through a particular mode, for which the Company may charge a fee of ₹ 200/- (Rupees Two Hundred only) for each article, if documents are required to be delivered in India and/ or a fee of ₹ 2,000/- (Rupees Two Thousand only) per article, if such documents are required to be delivered outside India.”

4. **To Adopt new set of Articles of Associations, if thought fit, to pass, the following as a Special Resolution**

“RESOLVED THAT pursuant to the provisions of Section 14 of the Companies Act, 2013, and other applicable provisions read with the rules and regulations made thereunder, including any amendment, re-enactment or statutory modification thereof, the new set of Articles of Association be and are hereby approved and adopted in substitution for, and to the exclusion, of the existing Articles of Association of the Company;

RESOLVED FURTHER THAT the Directors of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things and to sign all such other documents, in each case, as they may deem necessary, proper or desirable (including without limitation making the appropriate e-filings with the Registrar of Companies, Ministry of Corporate Affairs), in connection with the adoption of the new set of Articles of Association of the Company and/ or generally to give effect to the foregoing resolutions.”

By Order of the Board of Directors

Sd/-

Koushik Ranjan Saha

Company Secretary

ACS : 35429

Place : Kolkata

Date : 28 May 2018

NOTES :

1. *In terms of Section 105 of the Companies Act, 2013, a member entitled to attend and vote at the meeting is entitled to appoint another person as his/her proxy to attend and vote on a poll instead of himself/herself and such proxy need not be a member of the Company.*
2. Members of the Company had approved the appointment of M/s. S. Jaykishan, Chartered Accountants, (Firm registration no. 309005E) as the Statutory Auditors at the 21st Annual General Meeting of the Company held on 30 September 2016 for a period of five years, which is valid till 26th Annual General Meeting of the Company, subject to ratification of appointment by members at every AGM. In accordance with the Companies (Amendment) Act, 2017, the ratification of appointment of Statutory Auditors at every Annual General Meeting has been done away. Hence ratification of appointment of Statutory Auditor is not forming part of the notice.
3. The statement pursuant to Section 102 (1) of the Companies Act, 2013 setting out the material facts in respect of the special business under Item No 3 & 4 as stated in this notice is annexed hereto, forming the part of this notice.
4. The Notice is being sent to all the members of the Company, whose names appear in the Register of Members as on **17 August 2018**.
5. As per the provisions of Section 105 read with Rule 19(2) of the Companies (Management and Administration) Rules, 2014, a person shall act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
6. The instrument appointing the proxy, in order to be effective, should be deposited, duly completed and signed, at the Registered Office of the Company not less than forty-eight hours before the commencement of the AGM. A proxy form is enclosed herewith.
7. The proxy holder shall provide his identity at the time of attending the Annual General Meeting.
8. When a member appoints a proxy and where both the member and the proxy attends the meeting, the proxy stands automatically revoked.
9. A member would be entitled to inspect the proxies lodged with the Company, twenty four hours before the time fixed for the commencement of the meeting. Requisition for inspection of proxies by members entitled to vote on any resolution shall be made in writing at least three days in advance before the commencement of the meeting.
10. Shareholders desiring any information as regards the Financial Statements of the Company are requested to write to the Company in advance so as to enable the management to keep the information readily available at the meeting.
11. Members are requested to intimate about change in their mailing address, if any, to the Company's Registrar and Share Transfer Agent, **M/s S. K. Infosolutions Pvt. Ltd., 34/1A, Sudhir Chatterjee Street, Kolkata - 700 006** in case the shares are held in physical form and to the Depository Participant (D/P) in case of shares held in electronic form.
12. Corporate members are required to send to the Company a certified copy of their Board resolution, pursuant to Section 113 of the Companies Act 2013, authorizing their representative to attend and vote at the AGM.
13. The business set out in the Notice will also be transacted through electronic voting system and the Company is providing such facility to the members.
14. The quorum for the Annual General Meeting, as provided in Section 103 of the Companies Act, 2013, is five members (including a duly authorized representative of the Central Government) personally present in the meeting at the commencement of business.
15. The Register of Members and Share Transfer Book of the Company will remain closed from **21 September 2018** to **28 September 2018** (both days inclusive) for the purpose of AGM.
16. Shareholders desiring any information as regards the Annual Accounts are requested to write to the Company in advance so as to enable the management to keep the information readily available at the meeting.
17. Members are requested to intimate to the Company's Registrar and Share Transfer Agent, M/s S. K. Infosolutions Pvt. Ltd., 34/1A, Sudhir Chatterjee Street, Kolkata - 700 006 about consolidation of folios, if shareholdings are in multiple folios and bring copies of the Annual Report and the attendance slips with them while attending the Annual General Meeting.

18. Members holding shares in physical form are informed that it is advantageous to keep the shareholding in joint names, as upon death of a member, the survivor or survivors, where the member was a joint holder, and his legal representatives where he / she was a sole holder, shall be the only persons recognized by the Company as having any title to his/ her interest in the shares.
19. Members holding shares in physical form may avail the facility of nomination in terms of Section 72 of the Companies Act, 2013, by submitting the Form No. SH-13 as per rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014. Blank nomination form will be made available on request to the Registrar & Share Transfer Agent.
20. Members are informed that pursuant to Regulation 40(7) read with Schedule VII of the SEBI (LODR) Regulations, 2015 it has become mandatory to furnish a copy of the PAN Card of both the transferor and transferee for giving effect of the transfer involving transaction for both off market and/or private transaction for transfer of shares in physical form and this will supersede the earlier Circular No. MRD / DOP/ Cir-05/2009 dated 20 May, 2009 of SEBI.
21. The members are further informed that pursuant to notification issued by the SEBI on 8th June 2018, the Regulation 40 of the SEBI (LODR) Regulations, 2015 has been amended and provided that, **except in case of transmission or transposition of securities**, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository. The amended provisions shall come into effect on the one hundred and eightieth day from the date of notification and pursuant to this notification, no physical shares shall be transferred on and after 5th December 2018, accordingly, shareholders are requested to take necessary steps, in case they are holding shares in physical form to convert their shares into DEMAT through any of the Depository.
22. Members are requested to furnish the following details for updating the Registers as required in terms of Section 88 of the Companies Act, 2013:
- (i) E-mail ID, (ii) PAN No., (iii) AADHAR Card No., (iv) Father/Husband Name, (v) Occupation, (vi) Mobile No., (vii) Bank Account No., Name of the Bank, MICR No. (along with a cancelled cheque), (viii) Updated Signature (duly attested by Nationalized bank or First Class Magistrate), (ix) CIN (in case of Company), (x) Date of Birth and name of the Guardian (in case of Minor).
23. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (LODR) Regulations, the Company has provided a facility to all its' members to exercise their votes electronically through e-voting facility arranged from National Securities Depositories Limited (NSDL). The facility for voting, through ballot paper, will also be made available at the AGM for members attending the AGM and who have not earlier cast their votes by remote E-voting. Members who have cast their votes by remote e-voting prior to AGM may attend the meeting but shall not be entitled to cast their votes again.
24. Relevant documents referred to in the accompanying notice/explanatory statement are open for inspection by the members at the AGM and such documents will also be available for inspection in physical or in electronic form at the Corporate Office on all working days (excluding Saturdays, Sundays and Holidays) from 10:00 a.m. to 01:00 p.m., up to the date of this AGM.
25. As per the provisions of Section 20 of the Companies Act, 2013 and in compliance with the guidelines of Green Initiative, an electronic copy of the Annual Report and Notice for calling AGM of the Company, inter alia, indicating the process and manner of voting through electronic means along with Attendance Slip and Proxy Form is being sent to all the Members whose email ids are registered with the Company's Registrar and Share Transfer Agents/Depository Participants(s) for communication purposes, unless any member has requested for a physical copy of the same. The physical copies of Annual Reports with Notice of the AGM of the Company, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to those members whose e-mail id's are not registered with the Company. . Further, the notice for this AGM inter alia indicating the process and manner of e-Voting process along with printed Attendance Slip and Proxy Form shall also be available on the Company's website, at www.himadricredit.in and the website of NSDL at <https://www.evoting.nsdl.com>.

The instructions to shareholders for remote e-voting are as under:

26. The e-voting period shall begin at **09:00 a.m. on 24 September 2018 and ends at 5 p.m. on 27 September 2018**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off **date i.e.**

- 21 September 2018**, may cast their vote electronically. A person who is not a member as on the cut-off date should treat this Notice for information purpose only. The remote e-voting module shall be disabled by NSDL for voting thereafter and the facility shall forthwith be blocked. Shareholders who have already voted prior to the AGM date would not be entitled to vote at the AGM venue.
27. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the **cut-off date i.e. 21 September 2018**. Members are eligible to cast vote electronically only if they are holding shares either in physical form or demat form as on that date. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the **cut-off date i.e. 21 September 2018**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in.
- 28. Guidance for E-Voting**
- Step 1: Log-in to NSDL e-Voting system**
- i. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/>.
 - ii. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
 - iii. A new screen will open. You will have to enter your User ID, your Password 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.
 - iv. Your User ID details will be as per details given below :
 - 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***).
 - v. Your password details 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 enter the ‘initial password’ and the system will force you to change your password.
 - c. How to retrieve your ‘initial password’?
 - vi. 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’.
 - vii. If your email ID is not registered, your ‘initial password’ is communicated to you on your postal address.
 - viii. 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.
 - ix. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
 - x. Now, you will have to click on “Login” button.

- xi. After you click on the “Login” button, Home page of e-Voting will open.

Step 2 : Cast your vote electronically on NSDL e-Voting system.

- i. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- ii. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
- iii. Select “EVEN” of the Company.
- iv. Now you are ready for e-Voting as the Voting page opens.
- v. 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.
- vi. Upon confirmation, the message “Vote cast successfully” will be displayed.
- vii. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- viii. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders:

- i. 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 skghosh_1938@yahoo.in with a copy marked to evoting@nsdl.co.in
- ii. 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.

- iii. In case of any queries, you may refer to the “Frequently Asked Questions” (FAQs) and “e-voting user manual” available in the downloads section of NSDL’s e-voting website www.evoting.nsdl.com or call on Toll free no. 1800-222-990.
- iv. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

Important Note:

The Company being a listed Company, is compulsorily required to provide e-Voting facility to members in terms of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and pursuant to Regulation 44(1) of the SEBI (LODR) Regulations, 2015, voting by show of hands will not be available to the members at the 23rd AGM in view of the further provisions of Section 107 read with Section 114 of the Act.

29. Disclosure pursuant to Regulation 36(3) of SEBI (LODR) Regulations, 2015 and Clause 1.2.5 of Secretarial Standard on General Meeting (SS-2) with respect to Directors seeking appointment / re-appointment at forthcoming AGM is given in the annexure:
30. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 and Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 read with Rules made thereunder will be available for inspection by the members at the AGM.
31. Mr. Koushik Ranjan Saha, Company Secretary and Chief Financial Officer of the Company shall be responsible for addressing all the grievances in relation to this AGM including e-voting. His details are as follows;

Name: Mr. Koushik Ranjan Saha
 Designation: Company Secretary and C F O
 Regd. office: 23A Netaji Subhas Road 8th Floor,
 Kolkata-700001
 Email id:hcfl@himadri.com;
 Phone No.: 033-2230 9953

32. Details about Director recommended for appointment/ re-appointment as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:-

Name of the Director	Mr. Tushar Choudhary (DIN - 00174003)
Qualifications	B. Com (Hons.)
Experience	20 years of Experience in Business and Industry
Date of Birth	5 April 1976 (42 years)
Date of Appointment	28 August 2002
Directorship in other Companies	Next Generation Traders Pvt Ltd Padmavati Estates Pvt Ltd Gopal Management Ltd Himadri E-Carbon Limited Salasar Management Ltd Sitaram Management Ltd Trimurti Merchandise Pvt Ltd Swarnalekha Developers Pvt Ltd AAT Techno-Info Limited Sampoorna Merchandise Pvt Ltd Himadri Real Estate Private Limited Lotus Villa Private Limited Modern Hi-Rise Private Limited Shresth Merchandise Pvt Ltd Held
Chairman / Member of the committee of Board of other Companies	NIL
No. of shares held (₹ 10/- each)	70,100
Relationship with other Directors	Mr. Bankey Lal Choudhary- Father

By Order of the Board of Directors

Place : Kolkata
Date : 28 May 2018

Sd/-
Koushik Ranjan Saha
Company Secretary
ACS : 35429

Explanatory Statement

Pursuant to Section 102 of the Companies Act 2013

Item No. 3

Pursuant to the proviso to Section 20(2) of the Companies Act, 2013, a member may request for any document through a particular mode, for which the member shall pay such fees as may be determined by the Company in its Annual General Meeting. Since the cost of providing documents may vary according to the mode of service, weight and its destination etc., therefore it is proposed that a uniform fee of ₹ 200 (Rupees Two Hundred) be charged towards cost of dispatch and handling for service of each document within India and ₹ 2000 (Rupees Two Thousand) for service of each document outside India by specific mode requested by any shareholder. The requisite fee (by way of Demand Draft) has to be sent to the Company by the shareholder clearly stating the document desired to be received through a particular mode. Further, considering the huge number of shareholders of the Company, it would not be practically feasible to accept 'lump-sum' advances from shareholders and continue maintaining their running ledger balances for this purpose. The Board recommends the resolution at item no. 3 for the approval of the Shareholders.

None of the Directors of the Company, Key Managerial Personnel or their respective relatives is in any way concerned or interested in this resolution.

Item No. 4

The Company's Articles of Association primarily contains rules and regulations for conducting the business of the Company in an ordinary manner and have to be in line with and in consonance with the provisions of the Companies

Act, 2013 and rules made thereunder. Since the Articles of Association of the Company contains certain provisions with reference to the previous Companies Act, 1956 and certain other regulations of articles, which have become obsolete by passage of time, therefore it requires necessary modifications by alteration, adoption and deletion.

The proposed amendments in the Articles of Association of the Company inter-alia requires the approval of the shareholders by means of Special Resolution in terms of Section 14 of the Companies Act, 2013, therefore the resolution is placed before the shareholders for their consent.

A copy of the draft new set of the Articles is enclosed and circulated with the notice and the same is also available for inspection by any member at the Registered Office of the Company in between 11.00 am to 01.00 pm on any working days except Saturday.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested in this resolution.

By Order of the Board

Sd/-

Koushik Ranjan Saha
Company Secretary

ACS : 35429

Place : Kolkata
Date : 28 May 2018

BOARD'S REPORT

Dear Shareholders,

Your Directors are pleased to present the 23rd Annual Report, together with the Audited Financial Statements and the Auditors' Report thereon for the financial year ended 31 March 2018.

STATE OF AFFAIRS OF THE COMPANY

The Financial Results of the Company for the financial year ended 31 March 2018 as compared to the previous financial year are summarised as under:

Amount ₹ in Lakhs

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Gross Income	153.14	140.01
Less: Total Expenditure	101.61	29.63
Profit before tax	51.53	110.38
Less: Tax Expenses		
- Current Tax (Net of MAT Credit Entitlement)	8.88	10.46
- Deferred tax	-	4.77
- Prior Year Tax	3.01	-
Profit after tax	39.64	95.15
Balance brought forwarded from previous year	387.57	311.77
Amount available for appropriation	427.21	406.92
Amount transferred to Reserve Fund	7.93	19.35
Balance carried to Balance Sheet	419.28	387.57

YEAR IN RETROSPECT

The Company involves in non- banking financial activities and during the year the Company earned a gross income of ₹ 153.14 lakhs for the year ended 31 March 2018 as against ₹ 140.01 lakhs for the year ended 31 March 2017 and profit after tax was ₹ 39.64 lakhs for the year ended 31 March 2018 as against ₹ 95.15 lakhs for the year ended 31 March 2017. Your directors are optimistic for achieving better results during the current financial year by optimum utilisation of the available resources.

DIVIDEND

In order to conserve resources for future operations, your Directors do not recommend any dividend for the Financial Year 2017-18.

SHARE CAPITAL

The paid up Equity Capital as on 31 March 2018 was ₹ 3,00,02,000. During the year under review, the Company has neither issued any shares with differential voting rights nor granted stock options or sweat equity shares.

RESERVES

During the year under review ₹ 7.93 lakhs was transferred to reserves (u/s 45-IC of the RBI Act).

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

As per the provisions of the Section 152(6) of the Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Mr. Tushar Choudhary (DIN: 00174003), the Director of the Company retires by rotation at the ensuing Annual General Meeting of the Company and being eligible offers himself for re-appointment. In view of his considerable experience, your Directors recommend his re-appointment as Director of the Company.

During the year 2017-18 there was change in composition of Board of Directors of the Company. The following Directors were appointed during the year :

Sl. No	Name of Director	DIN	Designation	Date of Appointment
1	Mr. Bankey Lal Choudhary	00173792	Managing Director	09-08-2017
2	Mr. Santosh Kumar Agrawala	00364962	Independent Director	09-08-2017
3	Mrs. Sucharita Basu De	06921540	Independent Director	09-08-2017

The above appointment of Directors were approved by the shareholders at the Annual General Meeting held on 27 September 2017.

The following Directors were resigned during the financial year 2017-18.

Sl. No	Name of Director	DIN	Designation	Date of Resignation
1	Mr. Vikash Kumar Patodia	00270642	Independent Director	09-08-2017
2	Mrs. Aditi Ganguly	07553943	Independent Director	09-08-2017

The Board places on record their appreciation for the services and contributions made by Mr. Vikash Kumar Patodia and Mrs. Aditi Ganguly during their tenure of Directorship.

Further Mrs. Monika Saraswat, Company Secretary & CFO has resigned from service of the Company with effect from 05 May 2018. The Board places on record her appreciation for the services and contributions made by Mrs. Saraswat during her tenure.

On the recommendation of the Audit Committee and Nomination and Remuneration Committee, the Board has appointed Mr. Koushik Ranjan Saha, as Company Secretary & CFO (KMP) w.e.f 28 May 2018.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions referred to in sub-section (5) of Section 134 read with sub-section (3)(c) of the Companies Act, 2013, the Board of Directors of the Company confirms that—

1. In the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with the proper explanation relating to material departures, if any.
2. The Directors have selected such accounting policies and have applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March, 2018 and of the profit of the Company for the year under review.

3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the annual accounts on going concern basis.
5. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
6. The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

INDEPENDENT DIRECTOR'S DECLARATION

As required in terms of Section 134(3)(d) of the Companies Act, 2013, the Board confirms that all the Independent Directors of the Company have given necessary declaration of their Independence as stipulated in Section 149(6) of the Companies Act, 2013.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There were no material changes and commitments occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

COMPOSITION OF BOARD & MEETINGS OF BOARD

As on the date of this report, the Board consists of six (6) Directors out of which one Executive and two are Non-Executive Directors and three Independent Directors including one woman Director. None of the Director is a member of the Board of more than twenty Companies or a Member of more than ten Board-level Committees or a Chairman of more than five such Committee. The Composition of the Board is in conformity with Section 149 of the Companies Act, 2013.

During the financial year 2017-18, the Board of Directors duly met Five (5) times respectively on 18 May 2017, 9 August 2017, 8 September 2017, 10 November 2017 and 12 February 2018 and the maximum time gap in between two meetings of the Board did not exceed 120 days as required by the provisions of Section 173(1) of the Companies Act, 2013. The details of attendance of Directors at the Board meeting are given hereunder:

Sl. No.	Names of members	Status	No. of meetings attended
1	Mr. Bankey Lal Choudhary ¹	Managing Director	2
2	Mr. Anurag Choudhary	Director, Non-Executive	3
3	Mr. Tushar Choudhary	Director, Non-Executive	3
4	Mr. Vipin Gupta	Director- Independent	4
5	Mr. Santosh Kumar Agrawala ²	Director- Independent	2
6	Mrs. Sucharita Basu De ³	Director- Independent	1
7	Mr. Vikash Kumar Patodia ⁴	Director, Independent	2
8	Mrs. Aditi Ganguly ⁵	Director, Independent	2

¹ Mr. Bankey Lal Choudhary, Managing Director was appointed as an Additional Director at the Board Meeting held on 09.08.2017 and subsequently appointed as Managing Director of the Company by the Shareholders at the Annual General Meeting held on 27.09.2017.

² Mr. Santosh Kumar Agrawal, Independent Director was appointed as an Additional Director at the Board Meeting held on 09.08.2017 and subsequently appointed by the Shareholders at the Annual General Meeting held on 27.09.2017.

³ Mrs. Sucharita Basu De, Independent Director was appointed as an Additional Director at the Board Meeting held on 09.08.2017 and subsequently appointed by the Shareholders at the Annual General Meeting held on 27.09.2017.

⁴ Mr. Vikash Kumar Patodia, Independent Director resigned w.e.f 09.08.2017

⁵ Mrs. Aditi Ganguly⁵, Independent Director resigned w.e.f 09.08.2017

SEPARATE MEETING OF INDEPENDENT DIRECTORS

Schedule IV of the Companies Act, 2013 and the SEBI Listing Regulations mandates the Independent Directors of

the Company to hold at-least one meeting in a year, without the attendance of non-independent directors and members of the management. During FY 2017-18, 1 (One) separate meeting of Independent Directors was held on 12 February 2018 without the presence of the non-independent directors and the members of the Management, inter alia, to review performance of Non-Independent Directors & the Board as a whole, to review performance of the Chairman and to assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board.

NOMINATION AND REMUNERATION COMMITTEE**Composition**

The Nomination and Remuneration Committee of the Company, formulated in terms of the provisions of Section 178 of the Companies Act, 2013. The Chairman of the Committee is an Independent Director and the Members of the Committee are Non - Executive Directors. The Committee met on 04 August 2017 during the financial year 2017-18. The Committee was reconstituted at the Board Meeting held on 9 August 2017. The Composition of the Committee are as follows:

Sl. No.	Name	Status
1	Mr. Santosh Kumar Agrawala	Chairman – Independent Director
2	Mr. Anurag Choudhary	Member- Non Executive Director
3	Mr. Vipin Gupta	Member- Independent Director

Terms of Reference

The broad terms of reference of the Committee inter alia are as follows:

- i) Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- ii) Formulation of criteria for evaluation of performance of Directors;
- iii) Devising a policy on Board diversity;
- iv) Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- v) Recommending/reviewing remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria.

Remuneration Policy

The Nomination and Remuneration Committee has framed a policy relating to the appointment, remuneration, independence and removal of Executive Directors,

Independent Directors, Key Managerial Personnel and Other Senior Management Personnel of the Company, in accordance with the provisions of Section 178 of the Companies Act, 2013, the same is annexed herewith and marked as **Annexure I**.

AUDIT COMMITTEE

Composition

The Company has an Audit Committee pursuant to Section 177 of the Companies Act, 2013 consisting of Three (3) Directors as members and all of its members are Independent. The Chairman of the Audit Committee is an Independent - Non-Executive Director with over a decade of rich experience in the field of finance and accounts.

The Committee met Four (4) times during the year on 18 May 2017, 9 August 2017, 10 November 2017 and 12 February 2018 to review the periodic as well as the financial statements prior to their placement before the Auditors and the Board for their consideration. The Committee reviewed the results of operations, statement of significant Related Party Transactions (as defined by the Audit Committee) submitted by management. The Committee reconstituted at the Board Meeting held on 9 August 2017. The composition of Audit Committee and the details of meetings attended by each of the Directors are given below:

Sl. No.	Names of members	Status	No. of meetings attended
1	Mr. Santosh Kumar Agrawala	Chairman, Independent	2
2	Mr. Vipin Gupta	Member, Independent	4
3	Mrs. Sucharita Basu De	Member, Independent	1

Terms of Reference

The terms of reference of this Committee broadly conforms to the norms laid down in Section 177 of the Companies Act, 2013 and includes among others the periodic review of the Quarterly and the Annual Accounts, assessing the adequacy of Internal Controls, interaction with the Statutory Auditors. The Committee provides guidance to the management in preparing of annual as well as periodical financial statements before submitting to the Board. It liaisons with the Company's Statutory Auditors. The functions of this Committee include reviewing the adequacy of audit functions, its structures and discussions with Auditors on any significant findings and follow-up therewith. The Terms of Reference of Audit Committee, inter alia, includes the following:

- (i) the recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (ii) review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (iii) examination of the financial statement and the auditors' report thereon;
- (iv) approval or any subsequent modification of transactions of the Company with related parties;
- (v) scrutiny of inter-corporate loans and investments;
- (vi) valuation of undertakings or assets of the Company, wherever it is necessary;
- (vii) evaluation of internal financial controls and risk management systems;
- (viii) monitoring the end use of funds raised through public offers and related matters.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has duly established a vigil mechanism and formulated Vigil Mechanism / Whistle Blower Policy for its Directors and its employees as per the provision of Section 177(9) of the Companies Act, 2013 read with the Rule 7 of Companies (Meeting of the Board and its powers) Rules, 2014. The Audit Committee of Directors of the Company have been authorised to oversee the compliance of the Vigil Mechanism / Whistle Blower Policy of the Company. The Whistle Blower Policy is available on the Website of the Company i.e www.himadricredit.in.

PUBLIC DEPOSIT

The Company during the year 2017-18 has not accepted any deposits from the public within the meaning of Section 73 of the Companies Act, 2013.

AUDITORS AND AUDITOR'S REPORT

• STATUTORY AUDITORS

The Company's existing Statutory Auditors, M/s S. Jaykishan, Chartered Accountants (Firm Registration No.: 309005E), who were appointed for the period of five years at the annual general meeting held on 30 September 2016 and their tenure will be continue upto the Annual General Meeting to be held for the Financial year 2020-21.

The Ministry of Corporate Affairs vide its notification dated 07 May 2018 has notified Section 40 of the Companies (Amendment) Act, 2017 wherein the first proviso of Section 139 of Companies Act, 2013 relating to ratification of appointment of auditor has been omitted accordingly ratification of auditor is not forming part of notice of ensuing Annual General Meeting.

The Report of the Auditors when read with the notes to the Accounts are self-explanatory and therefore, do not call for any further comments.

• SECRETARIAL AUDITOR

Pursuant to provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Board has appointed Mr. Samir Kumar Ghosh, Practicing Company Secretary, to conduct Secretarial Audit for FY 2017-18.

Secretarial Audit Report for the financial year ended 31 March 2018 is given in **Annexure II** attached hereto and forms part of this Report.

The Secretarial Audit report does not contain any qualification, reservation or adverse remark.

EXTRACT OF THE ANNUAL RETURN

Pursuant to the provisions of Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an Extract of Annual Return as on the financial year ended on 31 March 2018, in Form No. MGT-9 is appended to the Board's Report and marked as **Annexure III** forming part of the Annual Report.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company, being a non-banking finance Company registered with the Reserve Bank of India and engaged in the business of giving loans, is exempt from complying with the provisions of Section 186 of the Companies Act,

2013. Accordingly, the disclosures of the loans given as required under the aforesaid section have not been given in this Report.

PARTICULARS OF REMUNERATION OF MANAGERIAL PERSONNEL AND EMPLOYEES AND RELATED DISCLOSURE

Disclosures pertaining to remuneration and other details as necessitated and to the extent applicable to the Company pursuant to the provisions of the Section 197(12) Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration Managerial Personnel) Rules, 2014 forms part of the Board's Report as and marked as **Annexure IV** forming part of this Report.

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are annexed herewith and marked as **Annexure V** forming part of this Report.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There were no material changes and commitments occurred after the close of the financial year till the date of this report, which affect the financial position of the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE

There were no significant and material orders passed by any regulatory authority or courts or tribunals impacting the going concern status and Company's operation in future.

PARTICULARS OF CONTRACTS & ARRANGEMENTS WITH RELATED PARTIES

The Company has not entered into any materially significant related party transaction with the Company's Promoters, Directors, Management or their relatives, which could have a potential conflict with the interests of the Company.

All the Related Party Transactions entered into by the Company during the financial year were in ordinary course of business and on arm's length basis. The Related Party Transactions were usually undertaken with prior consent of the Audit Committee on quarterly basis. There have been no materially significant related party

transactions between the Company and the Directors, the management, or relatives except for those disclosed in the financial statements. Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) along with the justification for entering into such contract or arrangement in Form AOC - 2 does not form part of the report.

SUBSIDIARY/JOINT VENTURE/ASSOCIATE COMPANY

The Company does not have any subsidiary / joint venture / associate Company, therefore the requirement sub-rule (1) of Rule 8 of Companies (Accounts) Rules, 2014 with regards to providing details on performance of the same is not applicable to the Company.

Further during FY 2017-18, no Company has become or ceased to be subsidiary, joint venture or associate of the Company.

RISK MANAGEMENT POLICY

The Board has adopted the risk management policy of the Company and is of the opinion that there is no element of risk which threaten the existence of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Since the Company has not been engaged in any manufacturing activity, the information as required in terms of clause (m) of sub-section (3) of Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are not applicable. The foreign exchange earnings and outgo remained NIL during the year under review.

INTERNAL FINANCIAL CONTROLS AND RISK MANAGEMENT SYSTEM

The Board has duly implemented the internal financial control and risk management system in the Company to ensure efficient implementation of the Company's strategy and effective operations, assure compliance with both internal instructions and laws and regulations, achieve appropriate financial reporting, and prevent fraud and other misconduct.

Mr. Anurag Choudhary, Director of the Company is authorised by the Board to oversee the internal financial controls and risk management system and take the necessary actions as may be required for giving effect and implementation of the said system and control.

CORPORATE SOCIAL RESPONSIBILITY

The Company is not covered under the provisions of Section 135 of the Companies Act, 2013, therefore the requirement of clause (o) of sub-section (3) of Section 134 of the said act are not applicable to the Company.

POLICY ON PREVENTION OF SEXUAL HARASSMENT

The Company values the integrity and dignity of its employees. The Company has put in place a 'Policy on Prevention of Sexual Harassment' as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act"). We affirm that adequate access has been provided to any complainants who wish to register a complaint under the policy. No complaint was received during the year.

CORPORATE GOVERNANCE

The compliance with the corporate governance provisions as specified in Regulations 17 to 27 of SEBI (LODR) Regulations 2015 is not applicable to the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to the Regulation 34 read with Schedule V Part B, the Management Discussion and Analysis Report forms part of this Annual Report and marked as **Annexure VI**.

LISTING ON STOCK EXCHANGE

The Company's equity shares are listed at The Calcutta Stock Exchange Limited. During the financial year, 2017-18. The Company is in regular compliance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

EVALUATION OF THE BOARD, COMMITTEE AND DIRECTORS

The Board at its meeting held on 12 February 2018, evaluated its performance and that of Committees and individual directors in the manner as recommended by the Nomination and Remuneration Committee.

ACKNOWLEDGEMENT

The Directors would like to place on record their appreciation for the co-operation received from its Shareholders, Bankers and all other stakeholders including departments of State Government and Central Government.

For and on behalf of the Board

Place : Kolkata
Date : 28 May 2018

Sd/-
Bankey Lal Choudhary
Managing Director
(DIN: 00173792)

Sd/-
Anurag Choudhary
Director
(DIN : 00173934)

Annexure I of the Board's Report

Nomination and Remuneration Policy

I. PREAMBLE

Pursuant to Section 178 of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'SEBI Listing Regulations'), the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee. The Company already constituted the Committee comprising of three Independent Directors as required under Listing Regulations. In order to comply with the provisions of the Companies Act, 2013 and the amended Listing Agreement from time to time, the Board on 13th November 2013 changed of the nomenclature of the "Remuneration Committee" as "Nomination and Remuneration Committee" and further the same was re-constituted on 11th August 2014 with three non-executive Independent Directors as Member of the Committee. The Committee has reviewed and formulated "Remuneration Policy" in compliance with the provisions of Section 178 of the Companies Act, 2013 read with the applicable rules thereto and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'SEBI Listing Regulations').

Section 178 of the Companies Act, 2013, inter-alia provides that the Committee shall formulate the criteria for determining qualifications, positive attitudes and independence of a Director and recommend to the Board a policy relating to remuneration for Directors, Key Managerial Personnel (KMP) and other employees;

The Remuneration Policy of **HIMADRI CREDIT & FINANCE LTD** (the "Company"), is designed to attract, motivate and retain quality people in a competitive market. The policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders.

The Remuneration Policy applies to Directors, Key Managerial Personnel and other employees of the Company as per the provisions of the Companies Act, 2013.

II. INTERPRETATION

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, SEBI Listing Regulations and/or any other SEBI Regulations as amended from time to time.

III. OBJECTIVE

- a) To make recommendations to the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management;
- b) To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;

- c) To evaluate the performance of the members of the Board and provide necessary reports to the Board for further evaluation and to ensure relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- d) To make recommendations to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management and to ensure that such remuneration involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

IV. DEFINITIONS:

"**Board**" means Board of Directors of the Company.

"**Company**" means "Himadri Credit & Finance Ltd

"**Employees' Stock Option**" means the option given to the directors, officers or employees of a Company or of its holding Company or subsidiary Company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the Company at a future date at a pre-determined price.

"**Independent Director**" means a director referred to in Section 149 (6) of the Companies Act, 2013 and in Regulation 16 of SEBI Listing Regulations;

"**Key Managerial Personnel**" (KMP) means persons referred to in Section 2(51) of Companies Act, 2013;

- (i) Chief Executive Officer or the Managing Director or the Manager;
- (ii) Company Secretary;
- (iii) Whole-time Director;
- (iv) Chief Financial Officer;
- (v) Such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
- (vi) Such other officer as may be prescribed.

"**Nomination and Remuneration Committee**" shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Regulations.

"**Policy or This Policy**" means, "Nomination and Remuneration Policy."

“**Remuneration**” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

“**Service rules/HR Policy**” means “Service Rules/HR Policy” as framed by the Management which are applicable to all employees, may be amended or modified from time to time by the management.

“**Senior Management**” means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include Company secretary and chief financial officer:

An Organisation Chart defining the Core Management Team and managerial personnel “one Level below the chief executive officer/managing director/whole time director/manager” is annexed hereto forming the part of this policy and marked as Annexure “A”.

V. APPOINTMENT AND REMOVAL:

A. Appointment criteria and qualifications:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Managing Director/ Whole-time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

B. Term / Tenure:

1. **Managing Director/Executive Director/Whole-time Director/Manager:** The Company shall

appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. **Independent Director:** An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board’s report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to be an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1 October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he/she shall be eligible for appointment for one more term of 5 years only.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director Serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed Company.

C. Evaluation:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular interval (yearly).

D. Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Managing Director / Executive Director / Whole Time director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations made thereunder and Service rules/HR Policy of the Company as prevalent at that time.

E. Retirement:

The Managing Director / Executive Director / Whole Time Director, KMP and Senior Management shall retire as per

the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Managing Director / Executive Director / Whole Time director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company subject to such approvals as may be required in this regard.

VI. PROVISIONS RELATING TO REMUNERATION:

A. General:

1. The remuneration / compensation / commission etc. to Managing Director, Executive / Whole Time Directors, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to Managing Director, Executive / Whole Time Directors shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force and in accordance with and subject to the relevant provisions of the Articles of Association of the Company.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person.
4. Where any insurance is taken by the Company on behalf of its Managing Director, Executive / Whole Time Directors, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

B. Remuneration to Non-Executive / Independent Director:

1. **Remuneration / Commission:** The Committee may recommend the payment of remuneration / commission in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
2. **Sitting Fees:** The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be

prescribed by the Central Government from time to time.

3. **Limit of Remuneration / Commission:** Remuneration /Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.
4. **Stock Options:** An Independent Director shall not be entitled to any stock option of the Company.

C. Executive / Whole Time Directors

I. Appointment/ Re-appointment, Remuneration and Terms and Conditions:

Appointment and Re-appointment, if any, of Executive Directors/ Whole Time Directors including remuneration and other terms and conditions thereof shall be in accordance with the provisions of Section 196, 197 of the Companies Act, 2013 read with Schedule V appended thereto. The Committee will recommend the appointment or re-appointment, if any, of any of the Executive/ Whole time Directors to the Board and same will be approved by the shareholders at General meetings by passing the necessary resolution in terms of provisions of Companies act, 2013.

The components of remuneration package may include the following:

- Basic Pay
- Allowances
- LTA
- Any other perks and benefits.

II. Minimum Remuneration

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Executive/ Whole Time Directors in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

III. Over all Maximum Managerial Remuneration

The total managerial remuneration payable by the Company to its Directors, including Managing Director and Whole Time Directors and its Managers in respect of any financial year shall not exceed 11% of the net profit of the Company for that financial year calculated in the manner as laid down in Section 198 of Companies Act. 2013 except that the Remuneration of the Directors shall not be Deducted from the Gross profit.

In the event of Payment of Remuneration exceeding 11% of net profit necessary formalities to be complied with as per the said Act.

IV. Provisions for excess remuneration

If any Executive/ Whole Time Directors draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

D. Key Managerial Personnel and Senior Management

Remuneration of KMP and Senior Management Personnel is proposed by the Company’s Nomination and Remuneration Committee and subsequently approved by the Board of Directors. The remuneration is evaluated annually against performance of the Company, individual performance/ contribution and decides Remuneration rationally. The remuneration of KMP and Senior Management Personnel may comprise of the following:

- A fixed base salary, set at a level aimed at attracting and retaining executives with professional and personal competencies required to drive the Company’s performance.
- Special pay
- Variable pay linked with Performance in respect of certain positions
- Allowances (HRA, Conveyance etc.)
- LTA
- Perquisite and benefits
- Coverage on Mediclaim
- Retirement benefits including Superannuation

The KMP (s) and Senior Management Personnel shall be eligible for a monthly remuneration as may be

approved by the Board on the recommendation of the Committee. The break-up of the pay scale and quantum of perquisites including, employer’s contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

VII. Policy on diversity of Board:

The Board of Directors shall have the optimum combination of executive and non-executive Directors including Independent Directors from the different fields with broad range of experience relevant to the business.

The Board shall have at least one member who has accounting or related financial management expertise and at least three members who are financially literate and the Board should have atleast one woman director as its member.

VIII. Assistance from Outside Agency

The committee may take the assistance of External expert/agency as and when required to ensure that recommendations are based on rationale as also parameter to judge the performance level through a process.

IX. Amendment / Revision

Any policy including Remuneration Policy is dynamic concept. Hence it will be reviewed periodically & bring changes/ amendment as and when required based on business need, benchmark with comparable Industries and any other factors relevant in the context of formulation of Remuneration Policy that has direct linkage between business growth & attract, retain & motivate people on sustainable basis.

X. Disclosure of Information

Information as required in terms of Section 197 (12) of the Companies Act, 2013 read with Rule 5 of Company (Appointment & Remuneration) Rules, 2014 shall be disclosed in the Board in the manner as provided therein.

Annexure – A

(One Level below the Executive Directors including functional heads)

HIMADRI CREDIT & FINANCE LTD

EXECUTIVE DIRECTORS
Senior Management / Core Management Team
Chief Financial Officer (CFO)
Company Secretary & Compliance Officer

Annexure II of the Board's Report

SECRETARIAL AUDIT REPORT For the Financial Year Ended 31 March, 2018

[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

HIMADRI CREDIT & FINANCE LTD

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/S HIMADRI CREDIT & FINANCE LTD** (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period ended on 31 March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/S HIMADRI CREDIT & FINANCE LTD** ("**The Company**") for the period ended on 31 March, 2018 according to the provisions of:

- i) The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- ii) The Securities Contracts (Regulations) 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 the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) to the extent applicable to the

Company :-

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d. The Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Regulations, 2009;
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008;
- f. 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;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I have also examined compliances with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The SEBI (LODR) Regulations, 2015 entered into by the Company with the Calcutta Stock Exchange Limited.

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

I further report that the Company has, in my opinion, complied with the provisions of Companies Act, 2013 and the Rules made under that Act as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to Composition

of Board of Directors & Committees thereof, Issuance of notices for meetings of the board, committee & shareholders, recording of minutes of the meetings, filing of returns, etc. and compliance of various other provisions of the Companies Act & SEBI Regulations as are applicable to the Company.

I further report that

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) None of the Directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

I further report that:

- The Company has obtained all necessary approvals under the various provisions of the Act; and
- There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, SEBI (LODR) Regulations and Rules, Regulations and

Guidelines framed under these Acts against / on the Company, its Directors and Officers.

- The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Byelaws framed thereunder by the Depositories with regard to dematerialization / re-materialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.

The Company has complied with the provisions of the FEMA, 1999 and the Rules and Regulations made under that Act to the extent applicable.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company has not passed any special resolutions which are having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Place : Kolkata
Date : 21 May 2018

Sd/-
Samir Kumar Ghosh
ACS : 4740
C. P. No. : 2018

Annexure to Secretarial Audit Report

To,
The Members,
HIMADRI CREDIT & FINANCE LTD

My 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Whenever required, I 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. My 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.

Place : Kolkata
Date : 21 May 2018

Sd/-
Samir Kumar Ghosh
ACS : 4740
C. P. No. : 2018

Annexure III of the Board's Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31 March 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	CIN	L65921WB1994PLC062875
ii)	Registration Date	07/04/1994
iii)	Name of the Company:	HIMADRI CREDIT & FINANCE LTD
iv)	Category / Sub-Category of the Company	Public Company / Limited by shares
v)	Address of the Registered office and contact details	23A, Netaji Subhas Road, 8 th Floor, Kolkata- 700 001 Ph No: (033) 2230-4363/ 9953, website: www.himadricredit.in
vi)	Whether listed Company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Contact Person: Mr. Dilip Bhattacharya M/s S. K. Infosolutions Pvt. Ltd., 34/1A, Sudhir Chatterjee Street, Kolkata – 700006, Ph: 033-22196797/4815, Email: skcdilip@gmail.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	NBFC Activities	64990	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
NIL					

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-04-2017]				No. of Shares held at the end of the year [As on 31-03-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter(s)									
(1) Indian									
a) Individual/ HUF	1526000	-	1526000	50.86	1526000	-	1526000	50.86	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	334900	-	334900	11.16	334900	-	334900	11.16	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	1860900	-	1860900	62.02	1860900	-	1860900	62.02	-
(2) Foreign									
a) Individuals (NRIs / Resident)	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A) (1) + (A) (2)	1860900	-	1860900	62.02	1860900	-	1860900	62.02	-
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Any other	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-04-2017]				No. of Shares held at the end of the year [As on 31-03-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	10700	590700	601400	20.05	8500	590700	599200	19.98	(0.07)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	81500	456400	537900	17.93	86900	453200	540100	18.00	0.07
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	-	-	-	-	-	-	-	-	-
c) Any other									
Trustees	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	92200	1047100	1139300	37.98	95400	1043900	1139300	37.98	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	92200	1047100	1139300	37.98	95400	1043900	1139300	37.98	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1953100	1047100	3000200	100	1956300	1043900	3000200	100	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Damodar Prasad Choudhary	25500	0.85	-	25500	0.85	-	-
2	Bankey Lal Choudhary	32600	1.09	-	32600	1.09	-	-
3	Vijay Kumar Choudhary	39800	1.33	-	39800	1.33	-	-
4	Shyam Sundar Choudhary	67500	2.25	-	67500	2.25	-	-
5	Anurag Choudhary	150100	5.00	-	150100	5.00	-	-
6	Tushar Choudhary	70100	2.34	-	70100	2.34	-	-
7	Amit Choudhary	70100	2.34	-	70100	2.34	-	-
8	Saroj Devi Choudhary	90100	3.00	-	90100	3.00	-	-
9	Bankey Lal Choudhary and Others (HUF)	155600	5.18	-	155600	5.18	-	-
10	Damodar Prasad Choudhary and Others (HUF)	100000	3.33	-	100000	3.33	-	-
11	Vijay Kumar Choudhary And Others (HUF)	160000	5.33	-	160000	5.33	-	-
12	Sushila Devi Choudhary	90000	3.00	-	90000	3.00	-	-
13	Rinku Choudhary	42100	1.40	-	42100	1.40	-	-
14	Sheela Devi Choudhary	90000	3.00	-	90000	3.00	-	-
15	Swaty Choudhary	50000	1.67	-	50000	1.67	-	-
16	Shikha Choudhary	57900	1.93	-	57900	1.93	-	-
17	Kanta Devi Choudhary	92600	3.09	-	92600	3.09	-	-
18	Shyam Sundar Anurag Kumar	142000	4.73	-	142000	4.73	-	-
19	Himadri Speciality Chemical Limited	334900	11.16	-	334900	11.16	-	-
	Total	1,860,900	62.02	-	1,860,900	62.02	-	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

There is no change in promoters' shareholding during the year, therefore details of change in promoters' shareholding is not required.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Name of the Shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Himadri Industries Limited						
	At the beginning of the year	01/04/2017	-	318000	10.60	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-	-	-

Sl. No.	Name of the Shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the end of the year	31/03/2018	-	-	-	318000	10.60
2	Himadri Dyes & Intermediates Limited						
	At the beginning of the year	01/04/2017	-	70500	2.35	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-	-	-
	At the end of the year	31/03/2018	-	-	-	70500	2.35
3	Sitaram Management Limited						
	At the beginning of the year	01/04/2017	-	59500	1.98	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-	-	-
	At the end of the year	31/03/2018	-	-	-	59500	1.98
4	Sampoorna Merchandise Pvt Ltd						
	At the beginning of the year	01/04/2017	-	58500	1.95	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-	-	-
	At the end of the year	31/03/2018	-	-	-	58500	1.95
5	C M Syntex Pvt Ltd						
	At the beginning of the year	01/04/2017	-	25000	0.83	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-	-	-
	At the end of the year	31/03/2018	-	-	-	25000	0.83
6	Dolly Interexim (P) Ltd.						
	At the beginning of the year	01/04/2017	-	20000	0.67	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-	-	-
	At the end of the year	31/03/2018	-	-	-	20000	0.67
7	Varahi Commercial (P) Ltd.						
	At the beginning of the year	01/04/2017	-	15000	0.50	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-	-	-
	At the end of the year	31/03/2018	-	-	-	15000	0.50
8	Sri Siromani Dealers Pvt Ltd						
	At the beginning of the year	01/04/2017	-	11700	0.39	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-	-	-
	At the end of the year	31/03/2018	-	-	-	11700	0.39
9	Babita Ribiwala						
	At the beginning of the year	01/04/2017	-	5900	0.20	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-	-	-
	At the end of the year	31/03/2018	-	-	-	5900	0.20
10	Kamal Kanti Jha						
	At the beginning of the year	01/04/2017	-	5500	0.18	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-	-	-
	At the end of the year	31/03/2018	-	-	-	5500	0.18

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	Directors				
1	Anurag Choudhary	150100	5.00	150100	5.00
2	Tushar Choudhary	70100	2.34	70100	2.34
3	Bankey Lal Choudhary	32600	1.09	32600	1.09
4	Vipin Gupta	-	-	-	-
5	Santosh Kumar Agrawala	-	-	-	-
6	Sucharita Basu De	-	-	-	-
	Key Managerial Personnel				
1	Ms. Monika Saraswat	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Amount ₹ in Lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	624.85	-	624.85
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	0.37	-	0.37
Total (i+ii+iii)	-	625.22	-	625.22
Change in Indebtedness during the financial year				
· Addition	-	1,939.53	-	1,939.53
· Reduction	-	593.45	-	593.45
Net Change	-	1,346.08	-	1,346.08
Indebtedness at the end of the financial year				
i) Principal Amount	-	1,917.04	-	1,917.04
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	54.26	-	54.26
Total (i+ii+iii)	-	1,971.30	-	1,971.30

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors – NIL

B. Remuneration to other Directors

Amount ₹ in Lakhs

Sl. No.	Name of the Director and its Category	Fee for attending board / committee meetings	Commission	Others, please specify	Total
Independent Directors					
1	Sucharita Basu De	0.07	-	-	0.07
2	Vipin Gupta	0.07	-	-	0.07
3	Santosh Kumar Agrawala	0.07	-	-	0.07
Total (B)					0.21

TOTAL MANAGERIAL REMUNERATION (TOTAL A+B) = ₹ 0.21 lakhs

C. Remuneration to Key Managerial Personnel Other than MD/WTD

Amount ₹ in Lakhs

Sl. No.	Particulars of Remuneration	Ms. Monika Saraswat - Company Secretary & CFO
1	Gross salary	7.56
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	-
	- as % of profit	-
	Others specify...	-
5	Others, please specify	-
	Total	7.56

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences under the Companies Act, 2013 for the year ended 31 March 2018.

For and on behalf of the Board

Place : Kolkata
Date : 28 May 2018

Sd/-
Bankey Lal Choudhary
Managing Director
(DIN: 00173792)

Sd/-
Anurag Choudhary
Director
(DIN : 00173934)

Annexure IV of the Board's Report

Details pursuant to Rule 5(1) of the Companies (Appointment and Remuneration Managerial Personnel) Rules, 2014

Sl. No.	Requirements of Rule 5	Compliance
1	The ratio of remuneration of each Director to median remuneration of employees of the Company for the financial year 2017-18;	NIL*

Sl. No.	Requirements of Rule 5	Compliance	
2	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer and Company Secretary in the financial year 2017-18;		
	Name	Designation	% increase in remuneration
	Mr. Anurag Choudhary	Non-Executive Director	-
	Mr. Tushar Choudhary	Non-Executive Director	-
	Ms. Monika Saraswat	Company Secretary & CFO	51.2%
3	The percentage increase in the median remuneration of employees in the financial year 2017-18;	12.39%	
4	The number of permanent employees on the rolls of the Company as of 31 March 2018;	6	
5	Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Average percentage increase made in the salaries of employees other than the managerial personnel in FY 2017-18 was 8.66% whereas no managerial remuneration is paid during the financial year, other than sitting fees paid to the independent directors.	
6	Affirmation that the remuneration is as per the Nomination and Remuneration Policy of the Company.	The above remuneration details are as per the Nomination and Remuneration Policy of the Company.	

* No remuneration is paid to any of the Directors of the Company during the financial year 2017-18.

Annexure V of the Board's Report

Details pursuant to Rule 5 (2) & (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Names of the Top Ten Employees in terms of Remuneration Drawn

Name	Designation, Nature of Employment	Remuneration Received (₹ in Lakhs)	Qualification, Experience (yrs)	Date of commencement of employment	Age (yrs)	Last employer, designation	Relative of any director of the Company
Ms. Laxmi Agarwal	DGM (Accounts), Permanent	13.00	B.Com, 20	01-07-1999	44	Nil	Nil
Ms. Monika Saraswat	Company Secretary & Compliance Officer, Permanent	7.56	CS, M.Com & LLB, 7	26-08-2015	32	Himadri Dyes & Intermediates Limited, Company Secretary	Nil
Mr. Ratan Lal Jindal	Senior Officer, Permanent	1.57	B.Com, 35	01-09-2004	58	Nil	Nil
Mr. Sk. Abdul Karim	Administrative Officer, Permanent	1.27	B.Com, 16	01-05-2015	37	Nil	Nil
Mr. Arup Chatterjee	Executive, Permanent	1.10	B.Com, 35	01-10-2008	56	Nil	Nil
Mr. Dhruva Das	Executive, Permanent	0.90	B.Com, 43	02-05-2015	64	Nil	Nil

Note:

1. Remuneration includes Salary, Company's contributions to bonus, allowances, performance bonus and monetary value of perquisites.
2. None of the employees are covered under Rule 5(2)(i), 5(2)(ii) and 5(2)(iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Annexure VI of Board Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(a) Industry Structure and Development

The Indian economy is today the fastest growing major economy in the world, with plethora of growth opportunities for SMEs to contribute immensely to the nation's growth. The Government has charted plans to create policies and programs that are inclusive and well appreciated by all. NBFCs are vital cogs in India's institutional lending machinery that substantially support the Government's financial inclusion mission. The Non-Banking Financial Company (NBFC) sector saw a largely stable outlook for major NBFCs. From the perspective of larger financial system, Scheduled Commercial Banks continued to be the dominant players accounting for nearly 47% (Forty Seven per cent) of the bilateral exposure followed by Asset Management Companies managing Mutual Funds (AMC-MFs), Non-Banking Financial Companies (NBFCs), Insurance Companies, Housing Finance Companies (HFCs) and All-India Financial Institutions (AIFIs).

The Non-banking Finance Companies (NBFCs) sector has been growing steadily over the years. NBFCs have created a mark in the Indian financial system by providing the last-mile access and by developing capabilities to reach many un-touched micro segments. Further important point is that the sector has catered to these segments in an efficient and profitable manner, thus making it sustainable. By riding on niche competencies, wider reach and focused product lines, NBFCs now contribute to a wider share of the total credit in the system.

Rating agency ICRA revised the outlook on NBFCs' retail credit growth upwards to about 17-19 per cent for FY18 and said the growth trend will hold in the current financial year also. The total managed NBFC-retail credit of NBFCs stood at around Rs 7 trillion as on December 31, 2017 (Rs 6.1 trillion in March 2017), posting a year-on-year growth of 18.3 per cent, compared with nearly 15.5 per cent in FY17 and 19 per cent in FY16. The growth was supported by a healthy uptick witnessed in some key asset classes namely, commercial vehicles (CV), unsecured credit (including microfinance) and SME credit; these segments together accounted for about 60 per cent of the total NBFC-retail credit as of December 2017. The credit growth had dipped, post demonetisation, and remained subdued because of the uncertainties around the impact of GST implementation. The key target borrower segments of NBFCs - self-employed borrowers and small businesses - were impacted, as a sizeable share of their business was

based on cash transactions. With some stabilization of the GST processes and demand improvement, credit growth rose sharply in the third quarter of FY18.

(b) Economy Overview

India has emerged as one of the fastest growing major economies in the world and expected to emerge as one of the top three economic powers of the world over the next 10-15 years, as per Central Statistics Organisation (CSO) and IMF (International Monetary Fund). India's GDP is estimated to have grown by 6.6 % in 2017-18 and is expected to grow at 7.3 % in 2018-19. So far, non-banking finance companies (NBFCs) have scripted a great success story. Their contribution to the economy has grown in leaps and bounds from 8.4% in 2006 to above 14% in March 2015. In terms of financial assets, NBFCs have recorded a healthy growth—a compound annual growth rate (CAGR) of 19% over the past few years—comprising 13% of the total credit and expected to reach nearly 18% by 2018–19.

During the FY 2017-18 Indian economy was impacted by weak investment climate, elevated level of non-performing assets in the banking sector, the implementation of the Goods and Services Tax (GST), and the transient effect of demonetisation. The Goods and Services Tax (GST) which involved merging all indirect taxes into one, with a view to mitigate cascading or double taxation, was rolled out on July 1, 2017. As anticipated, there have been myriad issues, ranging from initial teething troubles to several technical issues. After a temporary slowdown triggered by demonetisation and GST (Good Services Tax), the economy started showing signs of recovery in the second half of the year. The revival in positivity was reflected in the pick-up of industrial production and a decline in retail inflation (as measured by the CPI) after a period of negativity. The third quarter of the financial year saw India record its fastest growth in five quarters at 7.2%, to overtake China, which grew at 6.8% in this period. The farm, manufacturing and services sectors propelled this growth, which is expected to sustain in the coming years.

Gross tax collections for the period April 2017- February 2018 showed an increase of 15.8% year-on-year while net retention to the Centre in tax collections recorded a growth of 17%. India's foreign exchange reserves stood at USD 424.4 billion at the end of March 2018 as compared to USD 370 billion at the end of the previous year, according to data from the RBI.

(c) Opportunities and Threats**Opportunities:**

NBFCs' niche in certain asset classes would continue to enable them to expand their market share. Their ability to customise products, price the risk and manage credit costs, especially related to small-ticket loans, viz., light Commercial Vehicle (CV), used CV, small-ticket housing loans, small-ticket LAP and micro finance, would continue to support their growth. Even in the large-ticket mid corporate segment, wholesale and diversified NBFCs would continue to gain share as they possess the ability to price the risk and loan structuring flexibility. The large NBFCs are expected to grow 18% yoy over FY18-FY19.

Considering the transition to the 90 days past due (dpd) Non-Performing Asset (NPA) recognition will be complete by FY18, NBFCs could further recalibrate their provisioning policy to cushion the impact on credit cost. Government's increased focus on rural economy in the budget for 2018-19 could be a boost for NBFCs that have a significant portion of their assets in rural areas.

Threats:

Growth of the Company's asset book, quality of assets and ability to raise funds depend significantly on the economy. Unfavorable events in the Indian economy can affect consumer sentiment and in turn impact consumer decision to purchase financial products. Competition from a broad range of financial service providers, unstable political environment and changes in Government policies/regulatory framework could impact the Company's operations.

(d) Segment-wise performance

The Company is into single reportable segment only.

(e) Outlook

The year 2017-18 saw large scale reform initiatives come into full force. Goods and Service Tax (GST) was rolled out on schedule on July 1, 2017. This has created a single market for providers of goods and services. A single tax on transactions will aid GDP growth by reducing the cost of doing business. The other major reform was the constitution of National Company Law Tribunal (NCLT) and Insolvency and Bankruptcy Code (IBC). This is likely to reduce the time taken to resolve stressed assets through a time bound resolution programme for referred accounts. While private activity remained somewhat subdued on account of the fall in consumer sentiment, the Government showed its intent by taking long pending tough decisions in the interest of the country's future. Thus, India continued to witness steady economic growth despite a volatile internal and

weak external environment. Improvement in commodity prices like Oil, low fiscal deficit, increase in inflation while still staying at a comfortable level, appreciation of the rupee vs. the dollar, passage of GST and the after effects of the demonetisation exercise all resulted in a mixed bag for the Indian economy.

Incoming economic data remains largely encouraging, with GDP growth picking up more than expected in the October-to-December period, and leading indicators showing the recovery carrying over into the final quarter of the fiscal year. The robust GDP print reflected higher Government consumption growth and increased public capital outlays, which more than offset a moderation in private spending growth. That said, consumption indicators have mostly bottomed out and are now gaining traction: In March 2018, passenger and two-wheel vehicle sales rose robustly, and consumer goods production expanded at its strongest pace in over a year.

(f) Risks and Concerns

The Board of Directors of the Company oversees the risk management process which includes the risk assessment and procuring the measures to curb the risk. The Board of Directors are responsible for implementation of risk measures. They ensure that the both external risk and internal risk are involved in the business of the Company. External risk due to interest rate fluctuation, slowdown in economic growth rate, political instability, market volatility, etc. Internal risk is associated with your Company's business which includes deployment of funds in specific projects, diversification into other business operations, managing effective growth rate, volatility in interest rate, changes in compliance norms and regulations, contingent liabilities and other legal proceedings. The Board of your Company ensure that they regularly assessed at a periodic interlude and proper vigilance is placed. Credit risk is considered to be major risk being faced by NBFCs. In your Company the credit risk is minimum, as major investments are made in Company's group companies. Your Company has evolved various policies and systems for credit risk to closely monitor the same. Your Company also follows provisioning norms of RBI.

(g) Internal Control System & their Adequacy

The Audit Committee of the Board of Directors of the Company closely monitors the adequacy of the Internal Financial Control system in close co-ordination and support of the in-house Internal Audit Team who periodically submits its findings on the efficacy and adequacy of their internal control system, its compliance with the Company's operating system and Accounting Standards and policies. Based on the report of the in-house Audit Team, their findings and submissions of the Audit Committee have

elaborate discussions and do make recommendations to the senior management to undertake corrective measures wherever necessary to strengthen the control of the Company. The subject process of the Internal Financial Control is a continuous one and in due compliance with the provisions of the Companies Act, 2013. During the FY 2017-18 there had been no reportable weakness in the design or operation as observed.

(h) Governance requirements

The Compliance Officer ensures compliance with the SEBI Listing Regulations and provisions of the Companies Act, 2013. All NBFCs were required to comply with governance requirements, such as the Fair Practices Code (FPC).

(i) Discussion on financial performance with respect to Operational performance

The brief on Financial Performance of the Company is already provided in the Boards' Report of the Company.

(j) Acknowledgement

Your directors take this opportunity to place on record their appreciation to all employees for their hard work, spirited efforts, dedication and loyalty to the Company which has helped the Company maintain its growth. The Directors also wish to place on record their appreciation for the support extended by the Reserve Bank of India, other

regulatory and government bodies, Company's auditors, customers, bankers, promoters and shareholders.

CAUTIONARY STATEMENT

The investors are hereby informed that statements in Board's Report and Management Discussion and Analysis describing the objectives, projections, estimates, and expectations of the Company which may be of forward looking statement, within the meaning of applicable securities laws and regulations. The actual results could differ materially from those expressed or implied. The factors that could affect the Company's performance are the economic and other factors that affect the demand – supply balance in the domestic market as well as in the international markets, changes in government regulations, tax laws and other statutes and host of other incidental implications.

For and on behalf of the Board

Place : Kolkata
Date : 28 May 2018

Sd/-
Bankey Lal Choudhary
Managing Director
(DIN: 00173792)

Sd/-
Anurag Choudhary
Director
(DIN : 00173934)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HIMADRI CREDIT & FINANCE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Himadri Credit & Finance Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting 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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act.

Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2018, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid 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 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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”; and
- g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in

our opinion and to the best of our information and according to the explanation given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer note 23 to the 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S. Jaykishan
Chartered Accountants
Firm’s Registration No. 309005E

Sd/-
(CA Vivek Newatia)

Date : The 28th day of May, 2018

Place : Kolkata

Partner

Membership No. 062636

Annexure 'A' to the Independent Auditors' Report

(Referred to in our report of even date)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management at regular intervals during the year and no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets.
- (c) The Company does not hold any immovable properties during the year, hence this clause is not applicable.
- ii. Since the Company does not have any inventory, the provisions of this clause are not applicable to the Company.
- iii. According to the information and explanation given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, provisions of paragraph 3 (iii) of the said Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to loans and investments made during the year, as applicable.
- v. The Company has not accepted any public deposits under Sections 73 to 76 of the Companies Act, 2013 and the rules framed thereunder. Accordingly, provisions of paragraph 3(v) of the Order are not applicable to the Company.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, works contract tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, there are no undisputed amounts payable as at 31 March, 2018 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, service tax, duty of customs, duty of excise, value added tax, cess which have not been deposited with the appropriate authorities on account of any disputes, except as mentioned below:

Name of the statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	6,87,450	2011-12 (AY 2012-13)	Commissioner of Income Tax (Appeals)

- viii. The Company has not taken any financial assistance from any bank or financial institution or government or debenture holders during the year. Thus, clause 3 (viii) of the Order is not applicable to the Company.
- ix. The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly provisions of clause 3 (ix) of the Order is not applicable to the Company.
- x. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.
- xi. The Company has not paid/provided for managerial remuneration during the year under report. Hence paragraph 3 (xi) of the order is not applicable.

- xii. The company is not a Nidhi Company as per Section 406 of the Companies Act 2013. Hence clause 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, 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 financial statements as required by the applicable accounting standards.
- xiv. The company has not issued shares by way of preferential allotment or private placement or fully or partly convertible debentures during the year. Hence reporting under clause 3(xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us, the company has not entered into any non-cash transactions with the Directors of the company. Hence reporting under clause (xv) of the Order is not applicable to the company.
- xvi. The Company is required to, and has been registered under Section 45-IA of the Reserve Bank of India Act 1934.

For S. Jaykishan
Chartered Accountants
Firm's Registration No. 309005E

Sd/-
(CA Vivek Newatia)
Partner
Membership No. 062636

Date : The 28th day of May, 2018
Place : Kolkata

Annexure - B to the Auditor's Report

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 **Himadri Credit & Finance Limited** ("the Company") as of 31 March 2018, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control 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.

Auditor's 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") 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 applicable to an audit of Internal Financial Controls and, 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 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 financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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 control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, 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.

For S. Jaykishan
Chartered Accountants
Firm's Registration No. 309005E

Sd/-
(CA Vivek Newatia)

Date : The 28th day of May, 2018

Place : Kolkata

Partner

Membership No. 062636

Balance Sheet as at 31st March 2018

(Amount in ₹)

Particulars	Note No.	As at 31 March 2018	As at 31 March 2017
I. EQUITY AND LIABILITIES			
1) Shareholders' funds			
(a) Share capital	3	30,002,000	30,002,000
(b) Reserves and surplus	4	48,790,913	44,827,283
		78,792,913	74,829,283
2) Non-Current liabilities			
(a) Long-term borrowings	5	60,000,000	60,260,500
		60,000,000	60,260,500
3) Current liabilities			
(a) Short-term borrowings	6	131,704,500	2,224,500
(b) Trade payables	7		
(i) Total outstanding dues of micro & small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro & small enterprises		81,000	85,650
(c) Other current liabilities	8	5,789,003	60,869
(d) Short-term provisions	9	449,879	2,050,896
		138,024,382	4,421,915
TOTAL		276,817,295	139,511,698
II. ASSETS			
1) Non-current assets			
(a) Fixed assets			
(i) Property, plant and equipment	10	20,148	20,148
(b) Non-current investments	11	135,257,376	136,899,264
(c) Deferred tax assets (net)	12	-	-
(d) Long-term loans and advances	13	1,987,278	1,987,277
		137,264,802	138,906,689
2) Current assets			
(a) Current investments	14	-	297,021
(b) Cash and cash equivalents	15	722,531	287,987
(c) Short-term loans and advances	16	138,829,962	20,000
		139,552,493	605,008
TOTAL		276,817,295	139,511,698
Significant Accounting Policies	2		

Notes to Financial Statements

1 to 30

The notes referred to above form an integral part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For S. Jaykishan

Chartered Accountants

Firm's Registration Number : 309005E

Sd/-

Sd/-

Sd/-

Sd/-

CA VIVEK NEWATIA

Partner

Membership No.062636

BANKEY LAL CHOUDHARY

Managing Director

(DIN: 00173792)

ANURAG CHOUDHARY

Director

(DIN: 00173934)

KOUSHIK RANJAN SAHA

CFO & Company Secretary

Place : Kolkata

Date : The 28th day of May, 2018

Statement of Profit and Loss for the year ended 31st March 2018

(Amount in ₹)

Particulars	Note No.	For the year ended 31 March 2018	For the year ended 31 March 2017
I. Revenue from operations	17	9,108,877	512,676
II. Investment Income	18	6,205,519	13,463,092
III. Other Income	19	-	24,930
IV. Total revenue (I+II+III)		15,314,396	14,000,698
V. Expenses			
Employees Benefit Expenses	20	2,559,857	2,206,851
Finance costs	21	6,718,914	122,192
Other expenses	22	882,764	633,783
Total expenses		10,161,535	2,962,826
VI. Profit / (Loss) before tax		5,152,861	11,037,872
VII. Tax expense			
Current tax		887,787	2,024,096
Less : MAT credit Entitlement		-	(978,679)
		887,787	1,045,417
Prior Years		301,444	-
Deferred tax		-	477,079
VIII. Profit / (Loss) for the year		3,963,630	9,515,376
Earnings per equity share [nominal value of ₹10/- each (previous year ₹10/- each)]:	26		
Basic		1.32	3.17
Diluted		1.32	3.17
Significant Accounting Policies	2		

Notes to Financial Statements

1 to 30

The notes referred to above form an integral part of the financial statements

In terms of our report attached

For S. Jaykishan

Chartered Accountants

Firm's Registration Number : 309005E

For and on behalf of the Board of Directors

Sd/-

CA VIVEK NEWATIA
Partner
Membership No.062636

Sd/-

BANKEY LAL CHOUDHARY
Managing Director
(DIN: 00173792)

Sd/-

ANURAG CHOUDHARY
Director
(DIN: 00173934)

Sd/-

KOUSHIK RANJAN SAHA
CFO & Company Secretary

Place : Kolkata

Date : The 28th day of May, 2018

Cash Flow Statement for the year ended 31st March 2018

(Amount in ₹)

	Particulars	Year Ended 31 st March 2018	Year Ended 31 st March 2017
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before Tax & Extra-Ordinary Items	5,152,861	11,037,872
	Adjustments for :		
	Provision for standard assets	338,100	-
	Profit on sale of investments	(6,205,519)	(13,463,092)
	Operating Profit before Working Capital Changes	(714,558)	(2,425,220)
	Adjustments for change in:		
	Loan & Advances to employees, security deposit and tax refundable	(21,000)	31,545
	Trade Payables, other liabilities and provisions	5,732,104	(1,079,714)
	Cash Generated from Operations	4,996,546	(3,473,389)
	Add/(Less) : Direct Taxes refund/paid	(3,136,968)	(38,545)
	Net Cash Inflow from Operating Activities	1,859,578	(3,511,934)
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	(Increase) / Decrease in Short Term Loans and Advances	(138,788,962)	-
	Purchase of investments	-	(18,054,199)
	Proceeds from sale of investment	8,144,428	21,712,416
		(130,644,534)	3,658,217
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Increase / (Decrease) in Long Term Borrowings	(260,500)	-
	Increase / (Decrease) in Short Term Borrowings	129,480,000	(1,210,500)
		129,219,500	(1,210,500)
	Net Increase in Cash/Cash Equivalents	434,544	(1,064,217)
	Cash/Cash Equivalents at the beginning of the year	287,987	1,352,205
	Cash/Cash Equivalents at the end of the year	722,531	287,987

Notes :

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on 'Cash Flow Statement' notified by the Companies (Accounting Standards) Rules, 2006.
- Figures in brackets indicate cash outflows.

In terms of our report attached

For S. Jaykishan

Chartered Accountants

Firm's Registration Number : 309005E

For and on behalf of the Board of Directors

Sd/-

CA VIVEK NEWATIA
Partner
Membership No.062636

Sd/-

BANKEY LAL CHOUDHARY
Managing Director
(DIN: 00173792)

Sd/-

ANURAG CHOUDHARY
Director
(DIN: 00173934)

Sd/-

KOUSHIK RANJAN SAHA
CFO & Company Secretary

Place : Kolkata

Date : The 28th day of May, 2018

Notes to financial statements for the year ended 31 March 2018

1 Company overview

“Himadri Credit & Finance Limited (“the Company”) is a Public Company with its shares listed at the Calcutta Stock Exchange Limited. It was incorporated on 7th April, 1994. The Company is a Non-Banking Financial Company holding a Certificate of Registration No.05.1996 from the Reserve Bank of India (“RBI”) dated 2nd May, 1998. The Company is engaged in the business of investment and lending activities.

The address of registered office is 23A, Netaji Subhas Road, 8th Floor, Kolkata-700001.”

2 Significant accounting policies

a Basis of preparation of financial statements

The financial statements are prepared in accordance with Generally Accepted Accounting Principles (Indian GAAP) under the historical cost convention on accrual basis and on principles of going concern. The accounting policies are consistently applied by the Company.

The financial statements are prepared to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013 and Companies (Accounting Standard) Amendment Rules, 2016, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of Companies Act 2013. Further, the Company follows the income recognition, asset provisioning as prescribed by Reserve Bank of India (RBI) for Non-Systemically Important Non-deposit taking Non-Banking Finance Companies (NBFC-ND-NSI).

b Current – Non-current classification

All assets and liabilities are classified into current and non-current.

b.1.Assets

An asset is classified as current when it satisfies any of the following criteria:

- i) it is expected to be realised in, or is intended for sale or consumption in, the Company’s normal operating cycle;
- ii) it is held primarily for the purpose of being traded;
- iii) it is expected to be realised within 12 months after the reporting date; or
- iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

b.2.Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the Company’s normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within 12 months after the reporting date; or
- d) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

c Use of estimates

The preparation of the financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognised in the period in which the results are known / materialise.

d Property, plant and equipment and depreciation

i. Recognition and measurement

“Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Notes to financial statements for the year ended 31 March 2018 (Contd.)

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate components of property, plant and equipment.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

iii. Depreciation and amortisation

“Depreciation and amortisation for the year is recognised in the Statement of Profit and Loss.”

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using straight line method over the useful lives of assets, at the rates and in the manner specified in Part C of Schedule II of the Act. The rates of depreciation as prescribed in Part C of Schedule II of the Act are considered as the minimum rates.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted as appropriate.

e Investments

Long-term investments are carried at cost and provisions are made to recognize any decline, other than temporary, in carrying value of each investment. Current investments are carried at lower of cost and fair value.

f Revenue Recognition and Expenses

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

All the expenses are accounted for on accrual basis.

g Retirement Benefits

The undiscounted amount of short term employees benefits such as salaries, bonus and ex-gratia expected to be paid in exchange for the services rendered by the

employees are recognised as an expense during the period when the employees render the services. Leave Encashment is accounted for based on estimates.

h Financial Derivatives and Commodity Hedging Transactions

There are no outstanding forward contracts as at the balance sheet date and therefore no provision for losses on derivatives is required to be made by the Company.

i Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use.

Other Borrowing costs are recognised as expense in the period in which they are incurred.

j Taxes on Income

Current tax is measured at the amount expected to be paid to the tax authorities, computed in accordance with the applicable tax rates and tax laws. In case of tax payable as per provisions of MAT under section 115JB of the Income Tax Act, 1961, credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

Deferred tax liabilities and assets are recognized at substantively enacted rates on timing difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax asset is recognized only to the extent there is reasonable certainty with respect to reversal of the same in future years as a matter of prudence.

k Earnings per Share

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

Notes to financial statements for the year ended 31 March 2018 (Contd.)

For the purpose of calculating 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.

1 Provision, Contingent Liabilities and Contingent Assets

Provision involving substantial degree of estimation in measurements is recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Provision for Standard Assets is made on the outstanding amount of Standard Assets for all types of lending, in accordance with the minimum provisioning requirements specified by the RBI.

Contingent Liabilities are shown by way of notes to the Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable.

A Contingent Asset is not recognized in the Accounts.

m Cash and cash equivalents

Cash and cash equivalents include cash and cash-on-deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

n Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

3 Share Capital

(Amount in ₹)

	31 March 2018	31 March 2017
Authorised		
40,00,000 Equity Shares of ₹10/- each		
(Previous year 40,00,000 Equity Shares)	40,000,000	40,000,000
Issued,Subscribed & Paid-Up		
30,00,200 Equity shares of ₹10/- each fully paid up		
(Previous year 30,00,200 Equity Shares)	30,002,000	30,002,000
	30,002,000	30,002,000

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period :

Particulars	31 March 2018		31 March 2017	
	No. of Shares	Amount ₹	No. of Shares	Amount ₹
At the commencement of the year	3,000,200	30,002,000	3,000,200	30,002,000
Add: Issued during the year	-	-	-	-
At the end of the year	3,000,200	30,002,000	3,000,200	30,002,000

The Company has only one class of shares referred to as equity shares having a par value of ₹10/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amount exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to financial statements for the year ended 31 March 2018 (Contd.)

Details of shareholder holding more than 5% of total number of shares issued by the Company :

Name of Shareholder	31 March 2018		31 March 2017	
	No. of Shares held	% holding in that class of shares	No. of Shares held	% holding in that class of shares
Himadri Speciality Chemical Ltd.	334,900	11.16	334,900	11.16
Bankey Lal Choudhary (HUF)	155,600	5.19	155,600	5.19
Vijay Kumar Choudhary (HUF)	160,000	5.33	160,000	5.33
Himadri Industries Ltd.	-	-	318,000	10.60

4 Reserve & Surplus

(Amount in ₹)

	31 March 2018	31 March 2017
(a) Reserve Fund (U/s 45-IC of the RBI Act) -		
Opening balance	6,070,500	4,135,000
Add: Transferred from surplus	792,726	1,935,500
Closing balance	6,863,226	6,070,500
(b) Surplus		
Opening balance	38,756,783	31,176,907
Add: Net Profit after tax transferred from Statement of Profit and Loss	3,963,630	9,515,376
Less : Appropriations -		
Transferred to Reserve Fund	792,726	1,935,500
Closing balance	41,927,687	38,756,783
Total	48,790,913	44,827,283

5 Long term borrowings

(Unsecured)

(Amount in ₹)

	31 March 2018	31 March 2017
Advances from related parties	60,000,000	60,260,500
	60,000,000	60,260,500

* Unsecured Advances represents advances received from Himadri Dyes & Intermediates Ltd. which are interest free.

6 Short term borrowings

(Unsecured)

(Amount in ₹)

	31 March 2018	31 March 2017
Loans from Bodies Corporate, repayable on demand	131,704,500	2,224,500
	131,704,500	2,224,500

Notes to financial statements for the year ended 31 March 2018 (Contd.)

7 Trade Payables

(Amount in ₹)

	31 March 2018	31 March 2017
Trade Payables		
Total outstanding dues of micro & small enterprises (Refer Note 24)	-	-
Total outstanding dues of creditors other than micro & small enterprises	81,000	85,650
	81,000	85,650

8 Other current liabilities

(Amount in ₹)

	31 March 2018	31 March 2017
Interest accrued but not due on borrowings	5,425,985	37,362
Statutory dues	363,018	23,507
	5,789,003	60,869

9 Short-term provisions

(Amount in ₹)

	31 March 2018	31 March 2017
Provision for Employee Benefits		
-Provision for Leave Encashment	35,420	26,800
Other Provisions		
Contingent Provision against Standard Assets	338,100	-
Provision for Income Tax (net of payments)	76,359	2,024,096
	449,879	2,050,896

10 Property, plant and equipment

(Amount in ₹)

	Vehicles	Office Equipments	Total
Gross Block			
Balance as at 31 March 2016	184,971	218,000	402,971
Additions during the year	-	-	-
Disposals	-	-	-
Balance as at 31 March 2017	184,971	218,000	402,971
Additions during the year	-	-	-
Disposals	-	-	-
Balance as at 31 March 2018	184,971	218,000	402,971
Depreciation			
Balance as at 31 March 2016	175,723	207,100	382,823
Depreciation for the year	-	-	-
Accumulated depreciation on disposals	-	-	-
Balance as at 31 March 2017	175,723	207,100	382,823
Depreciation for the year	-	-	-
Accumulated depreciation on disposals	-	-	-
Balance as at 31 March 2018	175,723	207,100	382,823
Net Block			
As at 31 March 2017	9,248	10,900	20,148
As at 31 March 2018	9,248	10,900	20,148

Notes to financial statements for the year ended 31 March 2018 (Contd.)

11 Non-Current Investments

Investment in Equity Instruments of Other entities, Non trade

(Amount in ₹)

	Face Value per Share (₹)	31 March 2018		31 March 2017	
		Number of Shares	Value ₹	Number of Shares	Value ₹
Quoted - At cost - Fully paid up					
Himadri Speciality Chemical Ltd (Formerly, Himadri Chemicals & Industries Ltd.)	1	9,487,000	81,037,156	9,487,000	81,037,156
Ashoka Fashion Ltd.	10	10,000	105,000	10,000	105,000
Transchem Ltd.	10	-	-	10,000	642,500
Associated Alcohols & Breweries Ltd.	10	-	-	8,200	123,000
Ganipitak Yakshraj Ltd.	10	2,500	25,000	2,500	25,000
Biocon Limited	5	-	-	3,400	535,500
Wipro Ltd.	2	-	-	2,242	240,888
			81,167,156		82,709,044
Unquoted - At cost - Fully paid up					
Himadri Industries Ltd.	10	529,000	7,615,000	529,000	7,615,000
Himadri Dyes & Intermediates Ltd.	10	1,200,122	12,001,220	1,200,122	12,001,220
Himadri Coke & Petro Ltd.	10	288,250	13,795,000	288,250	13,795,000
Mega Resources Ltd. (Formerly, Mega Market Share Resources Ltd.)	10	18,900	1,417,500	18,900	1,417,500
Sri Agro Himghar Ltd.	100	55,450	5,545,000	55,450	5,545,000
Sitaram Management Ltd.	10	18,000	180,000	18,000	180,000
Raghupati Consultants Ltd.	10	13,650	136,500	13,650	136,500
Rameshwar Consultants Ltd.	10	80,000	800,000	80,000	800,000
Sampoorna Merchandise Pvt. Ltd.	10	141,000	12,150,000	141,000	12,150,000
Tuaman Engineering Ltd.	10	45,000	450,000	55,000	550,000
			54,090,220		54,190,220
T O T A L			135,257,376		136,899,264
Aggregate Cost of Quoted Investments			81,167,156		82,709,044
Aggregate Market Value of Quoted Investments			1,390,794,200		420,697,629
Aggregate Cost of Unquoted Investments			54,090,220		54,190,220

12 Deferred tax assets (net)

(Amount in ₹)

	31 March 2018	31 March 2017
Deferred tax assets		
-On unabsorbed loss	725,037	326,741
Deferred tax liabilities		
-Difference in depreciation on fixed assets	2,215	2,128
	722,822	324,613

Net deferred tax Asset as on 31.03.2018 has not been recognised as a matter of prudence.

Notes to financial statements for the year ended 31 March 2018 (Contd.)

13 Long-term loans and advances

(Unsecured, considered good)

(Amount in ₹)

	31 March 2018	31 March 2017
Security Deposits	35,090	35,090
Income Tax Payments (net of provisions)	308,497	308,497
Deferred MAT credit entitlement	1,643,691	1,643,690
	1,987,278	1,987,277

MAT credit entitlement as at 31.03.2018 has not been recognised as a matter of prudence.

14 Current Investments

In Mutual Fund -Quoted - (valued at lower of cost and fair value)	31 March 2018		31 March 2017	
	No. of Unit	Value (₹)	No. of Unit	Value (₹)
DHFL Pramerica Low Duration Fund -Direct Plan-Growth	-	-	13,223.602	297,021
	-	-	-	297,021
Aggregate Book Value	-	-	-	297,021
Aggregate Market Value	-	-	-	300,381

15 Cash and cash equivalents

(Amount in ₹)

	31 March 2018	31 March 2017
Cash in hand	113,208	148,037
Balance with Banks		
- In Current Accounts	609,323	139,951
	722,531	287,987

16 Short-term loans and advances

(Unsecured, considered good)

(Amount in ₹)

	31 March 2018	31 March 2017
Loans to other than related parties	135,240,000	-
Interest accrued but not due on loan given	3,548,962	-
Advances recoverable in cash or in kind or for value to be received		
To Parties	15,000	-
To Staff	26,000	20,000
	138,829,962	20,000

17 Revenue from Operations

(Amount in ₹)

	31 March 2018	31 March 2017
Interest Received	8,114,277	-
Dividend from long term investment in equity shares	994,600	512,676
	9,108,877	512,676

Notes to financial statements for the year ended 31 March 2018 (Contd.)**18 Investment Income**

(Amount in ₹)

	31 March 2018	31 March 2017
Profit on sale of :		
- Non-current investments: equity shares	6,199,384	13,316,500
- Current investments: mutual funds	6,135	146,592
	6,205,519	13,463,092

19 Other Income

(Amount in ₹)

	31 March 2018	31 March 2017
Sundry Balances Written Back	-	24,930
	-	24,930

20 Employees Benefit Expenses

(Amount in ₹)

	31 March 2018	31 March 2017
Salaries and Bonus	2,541,379	2,192,690
Staff Welfare Expenses	18,478	14,161
	2,559,857	2,206,851

21 Finance costs

(Amount in ₹)

	31 March 2018	31 March 2017
Interest Expense	6,718,559	122,192
Interest on TDS	355	-
	6,718,914	122,192

22 Other expenses

(Amount in ₹)

	31 March 2018	31 March 2017
Rates & Taxes	10,069	9,010
Advertisement	68,274	49,442
Auditors' Remuneration		
- Statutory Audit Fees	44,250	51,750
- Other Services	44,250	34,500
Legal & Professional Expenses	62,625	163,200
Travelling & Conveyance	91,425	156,589
Provision for standard assets	338,100	-
Miscellaneous Expenses	223,771	169,292
	882,764	633,783

Notes to financial statements for the year ended 31 March 2018 (Contd.)

23 Contingent liabilities and commitments

(to the extent not provided for)

(Amount in ₹)

	31 March 2018	31 March 2017
a) Contingent Liabilities :		
-Income Tax dispute/under appeal	777,898	777,898
b) Commitments : Nil		

24 There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at 31 March, 2018. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

25 Additional Information pursuant to the provisions of Schedule III to the Companies Act 2013 are as under:

(i) There is no inventory during the year in the Company.

(ii) Other Information

(a) C.I.F. Value of Imports	-	₹ NIL	(Previous Year - NIL)
(b) Expenditure in Foreign Currency	-	₹ NIL	(Previous Year - NIL)
(c) Earnings in Foreign Exchange	-	₹ NIL	(Previous Year - NIL)

26 Earnings Per Share (EPS):

Net Profit after tax for the year has been used as the numerator and number of shares has been used as denominator for calculating the basic and diluted earnings per share.

Particulars	31 March 2018	31 March 2017
a) Profit After Tax (₹)	3,963,630	9,515,376
b) Weighted average number of Equity Shares of ₹10 each outstanding during the year	3,000,200	3,000,200
c) Earnings Per Share – Basic & Diluted (₹)	1.32	3.17

27 Related Party Transaction:

Enterprises owned or significantly influenced by the Key Managerial Personnel or their relatives	Himadri Speciality Chemical Ltd.
	Himadri Dyes & Intermediates Ltd.
	Himadri Coke & Petro Ltd.
	Himadri Industries Ltd.
	Sri Agro Himghar Ltd.
	AAT Techno Info-Limited.
	Sri Siromani Dealers Pvt Ltd.
	Sampoorna Merchandise Pvt Ltd.

Notes to financial statements for the year ended 31 March 2018 (Contd.)

Transactions carried out with related parties referred to in above, in ordinary course of business, are as under:

(Amount in ₹)

Nature of transactions	31 March 2018	31 March 2017
Dividend Received		
Himadri Speciality Chemical Ltd	948,700	474,350
Borrowings taken		
AAT Techno Info-Limited	2,730,000	-
Sampoorna Merchandise Pvt Ltd	700,000	-
Repayment of Borrowings (including interest)		
Himadri Dyes & Intermediates Ltd	260,500	-
AAT Techno Info-Limited	280,000	-
Sri Siromani Dealers Pvt Ltd	5,069	
Interest Accrued (Net of TDS)		
AAT Techno Info-Limited	72,838	-
Sampoorna Merchandise Pvt Ltd	19,194	-
Sri Siromani Dealers Pvt Ltd	10,794	2,385

Balances at year end :-

(Amount in ₹)

Particulars	31 March 2018	31 March 2017
Long-term borrowings		
Himadri Dyes & Intermediates Ltd	60,000,000	60,260,500
Short-term borrowings (including interest)		
AAT Techno Info-Limited	2,522,838	-
Sampoorna Merchandise Pvt Ltd	719,194	-
Sri Siromani Dealers Pvt Ltd	157,610	151,885
Investment held-		
Himadri Speciality Chemical Ltd	81,037,156	81,037,156
Himadri Industries Ltd.	7,615,000	7,615,000
Himadri Dyes & Intermediates Ltd	12,001,220	12,001,220
Himadri Coke & Petro Ltd	13,795,000	13,795,000
Sri Agro Himghar Ltd	5,545,000	5,545,000
Sampoorna Merchandise Pvt Ltd	12,150,000	12,150,000

28 Segment Information

The Company has got a single reportable segment. Therefore, the segment wise reporting has not been given.

29 No provision has been made in accounts in respect of gratuity to the Employees as the Company is not covered under Payment of Gratuity Act.

30 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

For S. Jaykishan

Chartered Accountants

Firm's Registration Number : 309005E

Sd/-

CA VIVEK NEWATIA

Partner

Membership No.062636

Sd/-

BANKEY LAL CHOUDHARY

Managing Director

(DIN: 00173792)

Sd/-

ANURAG CHOUDHARY

Director

(DIN: 00173934)

Sd/-

KOUSHIK RANJAN SAHA

CFO & Company Secretary

Place : Kolkata

Date : The 28th day of May, 2018

Notes to and forming part of the financial statements as at 31st March 2018

[As required in terms of Paragraph 18 of Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016]

Amount ₹ in Lakhs

	Particulars	Amount Out-standing	Amount Over-due
	Liabilities side:		
1	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:		
a	Debentures : Secured	-	-
	: Unsecured	-	-
	(other than falling within the meaning of public deposits)		
b	Deferred Credits	-	-
c	Term Loans	-	-
d	Inter-corporate loans and borrowings	1,371.30	-
e	Commercial paper	-	-
f	Public Deposits	-	-
f	Other loans (specify nature)	-	-
2	Breakup of 1(f) above (outstanding public deposits inclusive of interest accrued thereon but not paid)*		
a	In the form of Unsecured debentures	-	-
b	In the form of partly secured debentures i.e., debentures where there is a shortfall in the value of security	-	-
c	Other public deposits	-	-
	Particulars		Amount Out-standing
	Assets side:		
3	“Break-up of Loans and Advances including bills receivables (Other than those included in (4) below):”		
a	Secured		-
b	Unsecured		1,388.65
4	Break-up of Leased Assets and Stock on hire and other assets counting towards AFC activities:		
(i)	Lease assets including lease rentals under sundry debtors		-
a	Financial Lease		-
b	Operating Lease		-
(ii)	Stock on hire including hire charges under sundry debtors		-
a	Assets on hire		-
b	Repossessed Assets		-
(iii)	Other loans counting towards AFC activities:		-
a	Loans where assets have been repossessed		-
b	Loans other than (a) above		-
5	Break-up of Investments:		
	Current Investments (stock-in-trade):		
A	Quoted		
i	Shares:		

Notes to and forming part of the financial statements as at 31st March 2018 (Contd.)

a	Equity	-
b	Preference	-
ii	Debentures and Bonds	-
iii	Units of Mutual funds	-
iv	Government Securities	-
v	Others (Please Specify)	-
B	Unquoted	
i	Shares:	
a	Equity	-
b	Preference	-
ii	Debentures and Bonds	-
iii	Units of Mutual funds	-
iv	Government Securities	-
v	Others (Please Specify)	-
	Long Term Investments	
A	Quoted:	
i	Shares:	
a	Equity	811.67
b	Preference	-
ii	Debentures and Bonds	-
iii	Units of Mutual funds	-
iv	Government Securities	-
v	Others (Please Specify)	-
B	Unquoted	
i	Shares:	
a	Equity	540.90
b	Preference	-
ii	Debentures and Bonds	-
iii	Units of Mutual funds	-
iv	Government Securities	-
v	Others (Please Specify)	-
	Total	1352.57

6. Borrower group-wise classification of assets financed as in (3) and (4) above:

Amount in ₹ Lakhs

	Category	Amount net of provisions		
		Secured	Unsecured	Total
A	Related Parties**			
a	Subsidiaries	-	-	-
b	Companies in the same group	-	-	-
c	Other related parties	-	-	-
B	Other than related parties	-	1388.65	1388.65
	Total	-	1388.65	1388.65

Notes to and forming part of the financial statements as at 31st March 2018 (Contd.)

7	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)	Market Value/ Break up or fair value or NAV	Book Value (Net of provisions)
	Category		
A	Related parties **		
a	Subsidiaries	-	-
b	Companies in the same group	-	-
c	Other related parties	14,297.50	1,199.93
B	Other than related parties	151.34	152.64
	Total	14,448.84	1,352.57

** As per Accounting Standard of ICAI

8	Other Information		
	Particulars		Amt in ₹ Lakhs
(i)	Gross Non-Performing Assets		-
a	Related Parties		-
b	Other than related parties		-
(ii)	Net Non-Performing Assets		-
a	Related Parties		-
b	Other than related parties		-
(iii)	Assets acquired in satisfaction of debt		-

For and on behalf of the Board of Directors

For S. Jaykishan

Chartered Accountants

Firm's Registration Number : 309005E

Sd/-

CA VIVEK NEWATIA
Partner
Membership No.062636

Sd/-

BANKEY LAL CHOUDHARY
Managing Director
(DIN: 00173792)

Sd/-

ANURAG CHOUDHARY
Director
(DIN: 00173934)

Sd/-

KOUSHIK RANJAN SAHA
CFO & Company Secretary

Place : Kolkata

Date : The 28th day of May, 2018

Himadri Credit & Finance Limited

CIN: L65921WB1994PLC062875

Regd. Office : 23A, Netaji Subhas Road, 8th Floor, Kolkata- 700 001

E-mail: hcfl@himadri.com website: www.himadricredit.in

Ph No: (033) 2230-4363/ 9953

**Form No. MGT-11
Proxy form***[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

Name and address of the member (s):			
Folio No/ Client Id / DP ID:			
E-mail Id :	No of Shares held		

I/We, being the member (s) of shares of the above named Company, hereby appoint:

1. Name:

Address:

E-mail Id: Signature:,

or failing him

2. Name:

Address:

E-mail Id: Signature:,

or failing him

3. Name:

Address:

E-mail Id: Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual General Meeting of the Company, to be held on **Friday, the 28 September 2018 at 10.30 a.m. at 23A, Netaji Subhas Road, 8th Floor, Kolkata - 700001** and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description of Resolutions	For	Against
1	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31 March, 2018 together with the report of the Board of Directors and Auditors thereon.(Ordinary Resolution)		
2	To appoint a Director in place of Mr. Tushar Choudhary (DIN: 00174003), who retires by rotation and being eligible, offers himself for re-appointment. (Ordinary Resolution)		
Special Business			
3	To determine fee for service of documents (Ordinary Resolution)		
4	Adoption of new set of Articles of Associations (Special Resolution)		

Affix Revenue
Stamp of
₹ 1/-

Signature of shareholder

Signature of Proxy holder (s)

Signed thisday of 2018

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A person can act as proxy on behalf of Member upto and not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company. Further, a member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.

Himadri Credit & Finance Limited

CIN: L65921WB1994PLC062875

Regd. Office : 23A, Netaji Subhas Road, 8th Floor, Kolkata- 700 001

E-mail: hcfl@himadri.com website: www.himadricredit.in

Ph No: (033) 2230-4363/ 9953

ATTENDANCE SLIP

I certify that I am a member / proxy / authorized representative for the member of the Company. I hereby record my presence at the 23rd Annual General Meeting of the Company being held on **Friday, the 28 September 2018 at 10:30 a.m.** at 23 A, Netaji Subhas Road, 8th Floor, Kolkata – 700001.

Name of the member/ proxy(In Block Letters)			
Folio No./ DP-ID/ CL- ID.		No of Shares held	

Signature of the Shareholder/ Proxy/
Authorized Representative Present

Notes:

1. Shareholders / Proxy holders wishing to attend the meeting must bring the Attendance Slip, duly filled in and signed and hand it over at the time of entrance into the meeting Hall and bring the copies of Annual Report at the meeting for reference.

Route Map of AGM Venue

