

# HIMADRI CREDIT & FINANCE LIMITED



**19th ANNUAL REPORT  
2013 - 2014**

**CORPORATE IDENTIFICATION NUMBER (CIN)**

L65921WB1994PLC062875

**DIRECTORS**

Mr. Anurag Choudhary (DIN: 00173934)

Mr. Tushar Choudhary (DIN: 00174003)

Mr. Vikash Kumar Patodia (DIN: 00270642)

Mr. Vipin Gupta (DIN: 02668336)

**AUDITORS**

M/s Agarwal Prasad & Co,

Chartered Accountants

P-45, Khairu Place,

Kolkata- 700 072

Ph No: (033) 2215-7437/ 2137-7358

**BANKERS**

Central Bank of India

HDFC Bank

ICICI Bank

**REGISTERED OFFICE**

23A, Netaji Subhas Road, 8<sup>th</sup> Floor,

Kolkata- 700 001

Ph No: (033) 2230-4363/ 9953

**REGISTRAR & SHARE TRANSFER AGENT**

M/s S. K. Infosolutions Pvt Limited

34/1A, Sudhir Chatterjee Street,

Kolkata- 700 006

Ph No: (033) 2219-4815/ 6797

## **NOTICE**

Notice is hereby given that the 19<sup>th</sup> Annual General Meeting of the members of **Himadri Credit & Finance Limited** will be held at 8, India Exchange Place, 2<sup>nd</sup> Floor, Kolkata- 700 001 on **Tuesday the 30<sup>th</sup> September, 2014 at 09.30 am** to transact the following business:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the financial statements of the Company for the year ended 31<sup>st</sup> March, 2014 including Audited Balance Sheet as at 31<sup>st</sup> March, 2014 and the Statement of Profit & Loss and together with the report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Tushar Choudhary (holding DIN : 00174003), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s) the following as an **Ordinary Resolution**:

RESOLVED that M/s. Agarwal Prasad & Co. Chartered Accountants (Firm Registration No. 311068E), be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors.

### **SPECIAL BUSINESS**

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

RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any, (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Vikash Kumar Patodia (holding DIN 00270642), be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years from the conclusion of this Meeting (for a term up to 29<sup>th</sup> September, 2019), not liable to retire by rotation.

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

RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any, (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Vipin Gupta (holding DIN 02668336) be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years from the conclusion of this Meeting (for a term up to 29<sup>th</sup> September, 2019), not liable to retire by rotation.

**Place: Kolkata**  
**Dated: May 27, 2014**

**By Order of the Board**  
**sd/-**  
**Anurag Choudhary**  
**Director**

**NOTES:**

1. **IN TERMS OF SECTION 105 OF THE COMPANIES ACT, 2013, A MEMBER ENTITLED TO ATTEND AND VOTE AT A GENERAL MEETING IS ENTITLED TO APPOINT ANOTHER PERSON (WHETHER A MEMBER OR NOT) AS HIS/HER PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF BUT A PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING. A PERSON APPOINTED AS PROXY SHALL BE ENTITLED TO VOTE ONLY UPON A POLL.** Further, as per the provisions of Section 105 read with Rule 19(2) of the Companies (Management and Administration) Rules, 2014, a person can act as 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 provided that 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 shareholder. A form of proxy is enclosed to this Annual Report. No instrument of proxy shall be valid unless:
  - (a) it is signed by the member or by his/her attorney duly authorised in writing or, in the case of joint holders, it is signed by the member first named in the register of members or his/her attorney duly authorised in writing or, in the case of body corporate, it is executed under its common seal, if any, or signed by its attorney duly authorised in writing; provided that an instrument of proxy shall be sufficiently signed by any member, who for any reason is unable to write his/her name, if his/her thumb impression is affixed thereto, and attested by a judge, magistrate, registrar or sub-registrar of assurances or other government gazetted officers or any officer of a Nationalised Bank.
  - (b) it is duly stamped and deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting, together with the power of attorney or other authority (if any), under which it is signed or a copy of that power of attorney certified by a notary public or a magistrate unless such a power of attorney or the other authority is previously deposited and registered with the Company.
2. Explanatory Statements under Section 102 of the Companies Act, 2013 are annexed herewith, in respect of Item No. 4 and 5 are annexed hereto and forms part of this notice.
3. 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.
4. The Register of Members and Share Transfer Book of the Company will remain closed from 23<sup>rd</sup> September, 2014 to 30<sup>th</sup> September, 2014 (both days inclusive).
5. 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.
6. Members are requested to intimate to the Company's Registrar and Share Transfer Agent 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.
7. Members 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.
8. 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.

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9. Members are informed that the Securities and Exchange Board of India (SEBI) vide its' Circular No. MRD / DoP/ Cir-05/2009 dated 20 May, 2009 has made it mandatory to furnish a copy of PAN Card of the transferee for effecting the transfer of shares in physical forms of a listed Company. Therefore, members are advised to submit a copy of PAN Card along with Share Transfer Form, if any, to the Company to expedite transfer process.
10. 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 National bank or First Class Megistrate), (ix) CIN (in case of Company), (x) Date of Birth and name of the Guardian (in case of Minor).
11. Details about Director seeking appointment/ re-appointment as required under the Listing Agreement are as under:-

Name of the Director	Mr. Tushar Choudhary	Mr. Vikash Kumar Patodia	Mr. Vipin Gupta
<b>Qualifications</b>	B. Com (Hons)	C.A., B.Com	B.E. (Mechanical)
<b>Experience</b>	15 years of Experience in Business and Industry	20 years of Vast Experience of the Industry	28 years of Experience of the Industry
<b>Date of Birth</b>	05-04-1976	11-01-1975	01-09-1954
<b>Directorship in other Companies</b>	1. Salasar Management Limited 2. Gopal Management Limited 3. Padmavati Estates Private Limited 4. Sitaram Management Limited 5. AAT Techno-Info Limited 6. Himadri E-Carbon Limited 7. Trimurti Merchandise Private Limited 8. Next Generation Traders Private Limited 9. Swarnalekha Developers Private Limited	1. Chhattisgarh Carbon & Chemicals Limited 2. Matribhumi Developers Private Limited 3. Satabdi Developers Private Limited 4. Trinath Builders Private Limited 5. Sambhunath Realtors Private Limited	1. Tuaman Engineering Limited 2. Tuaman Infrastructure Limited 3. Canvas Realtors Private Limited 4. Gerbil Infrastructure Private Limited 5. Onset Infrastructure Private Limited 6. Abhiyan Projects Private Limited 7. Liberty Projects Private Limited 8. Discipline Suppliers Private Limited 9. Pure Enclave Consultants Private Limited 10. Shanti Complex Consultants Private Limited 11. Anant Dham Tracom Private Limited 12. Altai Projects Private Limited 13. Approach Estates Private Limited 14. Zagros Projects Private Limited 15. Gyden Developers Private Limited 16. Bhupati Buildtech Private Limited 17. Haridra Projects Private Limited 18. Dwarkapuri Projects Private Limited 19. Western Bitumen Industries Private Limited
<b>Chairman/ Member of the committee of Board of other Companies</b>	NIL	NIL	NIL
<b>No. of shares held (₹ 10/- each)</b>	70,100	NIL	NIL

12. In terms of Clause 35B of the Listing Agreement and in pursuance to Sections 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is providing the facility to its Members holding shares in physical or dematerialized form as on the cut-off date, being 28<sup>th</sup> August, 2014 to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying Notice. Details of the process and manner of e-voting along with the User ID and Password is being sent to all the Members separately along with the Annual Report. Moreover the instruction for e-Voting is also annexed with the Notice.  
Ballot Form (in lieu of e-Voting) for voting is also being sent along with the notice of AGM to enable those shareholders, who do not have access to e-voting facility to cast their vote on the resolutions to be approved at the 19th Annual General Meeting of the Company by sending their assent/dissent in writing to the Scrutinizer (Mr. Samir Kumar Ghosh) and a self addressed envelope is also enclosed for this purpose.
13. Mr. Samir Kumar Ghosh, Practicing Company Secretary, has been appointed to act as the scrutinizer to scrutinize the voting process.
14. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Managing Director of the Company.
15. The Results declared along with Scrutinizer's Report(s) will be available on the website of the Company ([www.himadricredit.in](http://www.himadricredit.in)) and on Service Provider's website ([www.evoting.nsdl.com](http://www.evoting.nsdl.com)) within two (2) days of passing of the resolutions and communication of the same to the Calcutta Stock Exchange Limited.

#### **EXPLANATORY STATEMENT**

**(As per the provisions of Section 102 of the Companies Act, 2013)**

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##### **Item No. 4**

Mr. Vikash Kumar Patodia (DIN: 00270642) is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in July, 2006. Mr. Patodia is Chairman of the Audit Committee, Nomination and Remuneration Committee and Stakeholder's Relationship Committee of the Board of Directors of the Company.

Mr. Patodia, aged about 39 years, is a Chartered Accountant and a Commerce Graduate from Calcutta University. He has vast experience of 20 years of Business and Industry and being a Chartered Accountant has his expertise in the field of Taxation, Corporate Planning etc.

Mr. Patodia retires at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and all other applicable provisions of the Companies Act, 2013, Mr. Patodia being eligible for appointment, is proposed to be appointed as an Independent Director for five (5) consecutive years for a term upto 29<sup>th</sup> September, 2019 as a non-rotational non-executive.

In the opinion of the Board, Mr. Patodia fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Patodia as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Patodia as an Independent Director, for the approval by the shareholders of the Company. Except Mr. Patodia, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

**Item No. 5**

Mr. Vipin Gupta (DIN: 02668336) is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in June, 2006.

Mr. Gupta, aged about 60 years, is a B.E. (Mechanical). He has vast experience of over 28 years of Business and Industry and has his expertise in the field of Chemicals, Business Management, Corporate Planning etc.

Mr. Gupta retires at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and all other applicable provisions of the Companies Act, 2013, Mr. Gupta being eligible for appointment, is proposed to be appointed as an Independent Director for five (5) consecutive years for a term upto 29<sup>th</sup> September, 2019 as a non-rotational non-executive.

In the opinion of the Board, Mr. Gupta fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Gupta as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Gupta as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Gupta, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

**Place: Kolkata**

**Dated: May 27, 2014**

**By Order of the Board**

**sd/-**

**Anurag Choudhary  
Director**

**Instruction for Electronic Voting****[A] In case of Member receive an e-mail from NSDL [for members whose e-mail IDs are registered with the Company / Depository Participant(s)]**

- i. Open e-mail and open PDF file viz; **"HCFL e-Voting.pdf"** with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
- ii. Launch internet browser by typing the following URL:
- iii. Click on Shareholder "Login".
- iv. Put your user ID and password as initial password noted in step (i) above. Click "Login".
- v. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Please take note of the new password. It is strongly recommended that you do not share your password with any other person and take utmost care to keep your password confidential.
- vi. Home page of "e-Voting" opens. Click on "e-Voting" -"Active Voting Cycles".
- vii. Select Electronic Voting Event Number (EVEN) of Himadri Credit & Finance Limited.
- viii. Now you are ready for "e-Voting" as "Cast Vote" page opens. Voting period commences on and from **10.00 a.m. on Tuesday, the 23<sup>rd</sup> September, 2014 and will end at 6.00 p.m. on Thursday, the 25<sup>th</sup> September, 2014.**
- ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- x. Upon confirmation, the message "Vote cast successfully" will be displayed.
- xi. Once you have voted on the item(s) of business, you will not be allowed to modify your vote.
- xii. 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. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail **scrutinizer.hcfl@gmail.com** with a copy marked to **evoting@nsdl.co.in**

**[B] In case of Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Registrar and Share Transfer Agent / Depository Participant(s) or requesting physical copy] :**

- i. Initial password is provided as below / at the bottom of the Attendance Slip for AGM

<b>EVEN</b>	<b>USER ID</b>	<b>PASSWORD</b>
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- ii. Please follow all the steps from Sl. No. (ii) to Sl. No. (xi) above to Cast Vote

**Please note that:**

- Login to 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 "Forgot Password" option available on the site to reset the same.
- Your login id and existing password can be used by you exclusively for e-voting on the resolutions placed by the Companies in which you are the shareholder.
- It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

For any further details in this regard, you may contact S. K. Infosolutions Pvt. Ltd., RTA of the Company located at 34/1A, Sudhir Chatterjee Street, Kolkata – 700006 (033-22196797/4815) or Mr. Rakesh Jhinharia, Assistant Manager – Secretarial, Himadri Credit & Finance Limited Ltd, 23A, Netaji Subhas Road, 8<sup>th</sup> Floor, Kolkata – 700001 (033-22309953) or NSDL (022) 24994600.

Members may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)



## ***DIRECTORS' REPORT***

### **To the Members**

Your Directors have pleasure in presenting the 19<sup>th</sup> Annual Report and the Audited Financial Results for the year ended on 31<sup>st</sup> March, 2014.

### **FINANCIAL RESULTS**

The Financial Results of the Company for the year under review and those of the previous year are given below:

<b>Particulars</b>	<b>(₹ in thousands)</b>	
	<b>For the year ended 31.03.2014</b>	<b>For the year ended 31.03.2013</b>
Gross Income	2,733.11	2,523.48
Less: Total Expenditure	2,535.03	2,280.34
Profit before tax	198.08	243.14
Less : Provision for Current Tax	-	-
Less: Mat Credit entitlement	-	<u>(18.25)</u>
Deferred tax	(211.23)	(216.75)
Tax expense relating to prior years	-	265.96
Profit after tax	409.31	212.18
Balance brought forwarded from previous year	30,154.26	29,985.08
Amount available for appropriation	30,563.57	30,197.26
Amount transferred to Reserve Fund	82.00	43.00
<b>Balance carried to Balance Sheet</b>	<b><u>30,481.57</u></b>	<b><u>30,154.26</u></b>

### **DIVIDEND**

The Board of Directors regret their inability to recommend any payment of dividend for the financial year 2013-14 due to inadequate profits.

### **YEAR IN RETROSPECT**

During the year 2013-14, the Company earned a gross income of ₹ 27.33 Lacs and profit after tax was ₹4.09 Lacs. Your directors are optimistic for achieving better results during the current financial year by optimum utilisation of the available resources.

### **DIRECTORS**

Mr. Tushar Choudhary, Director of the Company, retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

In terms of the provisions of Companies Act, 2013 Mr. Vikash Kumar Patodia (DIN: 00270642) and Mr. Vipin Gupta (DIN: 02668336) who were appointed as rotational directors in the Category of Independent Non-executive Directors have become Non-Rotational Directors. In compliance with the same, the Board recommends their appointment as Non-Rotational Directors in the category of Independent Non-Executive Directors in the forthcoming Annual General meeting since these Directors fulfil the criteria of Independence as prescribed in Section 149 (6) of the Companies Act, 2013 and rules provided thereto.

The brief resume and other details relating to the Directors, who are to be appointed / re-appointed as stipulated under Clause 49 (IV) (G) of the Listing Agreement, are furnished in the Notice of Annual General Meeting forming part of the Annual Report.

**DIRECTORS' RESPONSIBILITY STATEMENT**

In compliance with the provisions under section 217 (2AA) of the Companies Act, 1956, your Directors hereby confirm that:

- i) in preparation of the Annual Accounts of the Company, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the Company for that period;
- iii) the director have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the directors have prepared the annual accounts on a going concern basis.

**PUBLIC DEPOSIT**

The Company during the year 2013-14 has not accepted any deposits from the public within the meaning of section 58A and 58AA of the Companies Act, 1956.

**AUDITORS**

M/s. Agarwal Prasad & Co, Chartered Accountants, the Statutory Auditors of the Company shall hold office until the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limits of the Companies Act, 2013 and also that they are not otherwise disqualified within the meaning of the sub-section (3) of Section 141 of the Companies Act, 2013, for such appointment.

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.

**CORPORATE GOVERNANCE**

The management, in compliance with the good Corporate Governance has adapted all the mandatory provisions and stipulations contained in Clause 49 of the Listing Agreement with the Stock Exchange. A detailed report on Corporate Governance prevailing within the company is enclosed as a part of this Annual Report and is marked as **Annexure "A"**.

A certificate from the Statutory Auditors of the Company regarding compliance of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed to the Report on Corporate Governance.

**MANAGEMENT DISCUSSION AND ANALYSIS**

Report on Management Discussion and Analysis is a part of this Annual Report and is marked as **Annexure "B"**.

**COMPLIANCE CERTIFICATE**

The provisions of Section 383A (1) of the Companies Act, 1956 for employing a whole-time Company Secretary is not applicable to the Company, therefore it is required to obtain a Compliance Certificate from a Practising Company Secretary and the same be attached to the Director's Report as provided under proviso to Section 383A (1) of the Companies Act, 1956, accordingly the Company has obtained, the necessary Compliance Certificate from Mr. S. K. Ghosh, a Company Secretary in Practice for the year under review, and a copy thereof is annexed and marked as **Annexure "C"**.

**E-VOTING FACILITY AT AGM**

In terms of Clause 35B of the Listing Agreement with Stock Exchanges and in pursuance of the provisions of Section 108 of the Companies Act, 2013 (the Act) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (the Rules), the Items of Business given in AGM Notice may be transacted through electronic voting system and the Company is providing e-Voting facility to the members who are the members of the Company as on 28<sup>th</sup> August, 2014 (End of Day) being the “Cut-off Date” / “Record Date” fixed for the purpose, of exercising their right to vote at the 19<sup>th</sup> AGM by electronic means through the e-Voting platform provided by National Securities Depository Limited (NSDL). The details process and guidelines for e-voting has been annexed with the notice convening the meeting.

**PARTICULARS OF EMPLOYEES**

Information as required in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies [Particulars of Employees] Rules, 1975 are not applicable, as none of the employees, either employed throughout the year or part of the financial year, was in receipt of the remuneration in excess of the limit prescribed under rules amended up to date.

**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 Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable. The foreign exchange earnings and outgo remained NIL during the year under review.

**PERSONNEL**

Your Directors would like to put on records their sincere appreciation for dedication and hard work put in by every employee of the Company. The relationship between the employees and the management has been very cordial during the year under review.

**ACKNOWLEDGEMENT**

Your Directors would like to place on record their appreciation for the co-operation received from the Shareholders, Bankers and Customers.

**For and on behalf of the Board**

Place: Kolkata  
Dated: May 27, 2014

sd/-  
Anurag Choudhary  
Director

sd/-  
Tushar Choudhary  
Director

**REPORT ON CORPORATE GOVERNANCE****PHILOSOPHY OF CORPORATE GOVERNANCE**

Corporate Governance essentially is the system by which Companies are directed and controlled by the management in the best interest of the stakeholders. Corporate Governance ensures fairness, transparency and integrity of the management. Corporate Governance is a way of life, rather than a mere legal compulsion. It further inspires and strengthens investor’s confidence and commitment to the Company. The Company emphasises the need for full transparency and accountability in all its transactions, in order to protect the interests of its stakeholders. The Board considers itself as Trustees of its Shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth. The Company, through its Board and Committees, endeavours to strike and deliver the highest governing standards for the benefit of its stakeholders. In compliance with the disclosure requirements of Clause 49 of the Listing Agreement executed with the Stock Exchanges, the details are set out below:

**BOARD OF DIRECTORS**

The Board of Directors comprises of Four (4) Non-Executive Directors out of which Two (2) are Independent Directors and fulfills the criteria laid down in Clause 49 of the Listing Agreement as well as the requirements of Provisions of the Companies Act, 1956.

During the year under review, the Board of Directors duly met Five (5) times respectively on 29.05.2013, 14.08.2013, 04.09.2013, 14.11.2013, and 13.02.2014.

**Composition of the Board**

The names and categories of the Directors on the Board, their attendance at the Board meetings held during the year and at the last Annual General Meeting and also the number of Directorship and committee membership positions as held by them in other public limited companies as on 31<sup>st</sup> March, 2014 are given below:

<i>Name</i>	<i>Category</i>	<i>No. of Board Meetings attended</i>	<i>Last AGM Attended</i>	<i>No. of Directorship in other Public Companies</i>	<i>No. of Committee positions held in other Public Companies</i>
Mr. Anurag Choudhary	Promoter Non-Executive	3	Yes	9	-
Mr. Tushar Choudhary	Promoter Non-Executive	4	Yes	5	-
Mr. Vikash Kumar Patodia	Independent Non-Executive	5	Yes	1	-
Mr. Vipin Gupta	Independent Non-Executive	4	No	2	-

**Board Procedure**

The Company takes decision as regards the operations of the business with the consent of its’ Board of Directors through conducting their meetings. There is a well laid down procedure to send in advance detailed agenda papers to the directors so that they are able to make a detailed deliberation and take appropriate decisions at the meetings. The Board of Directors meet from time to time to transact business in respect of which the Board’s attention is necessary.

At the meeting, the directors express their views freely and discussions are held in a transparent manner. The Company has a detailed procedure for following up necessary implementation of the Board decisions effectively without any reservations.

**Code of Conduct**

The Company has prescribed Code of Conduct for its directors and senior management. The declaration from the Directors stating that as on 31<sup>st</sup> March, 2014 all the board members and the senior management personnel of the Company have adhered to the Code of Conduct for the financial year 2013-14 and the same has been included in this report.

**Directors Remuneration**

None of the Directors received any remuneration during the year nor have they drawn any sitting fees.

**COMMITTEE OF DIRECTORS**

In due compliance with the provisions of the Companies Act, 1956 and the Listing Agreements with the Stock Exchanges, the Company has the following Committees of Directors:

**A. AUDIT COMMITTEE****Composition**

The Company constituted an Audit Committee in terms of Clause 49 of the Listing Agreement consisting of Three (3) Directors as members and two-third of its members are Independent. The Chairman of the Audit Committee is an Independent and Non-Executive Director with over a decade-rich experience in the field of finance and accounts.

The Committee met Four (4) times during the year on 29.05.2013, 14.08.2013, 14.11.2013 and 13.02.2014 to review the periodic as well as the annual statements of accounts 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 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. Vikash Kumar Patodia	Chairman Non-Executive Independent	4
2	Mr. Anurag Choudhary	Member Non-Executive	2
3	Mr. Vipin Gupta	Member Non- Executive Independent	4

**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 under Clause 49 of the Listing Agreement 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.

## **B. NOMINATION & REMUNERATION COMMITTEE**

### **i. Composition**

The Board constitute Nomination and Remuneration Committee in the terms of section 178 of the Companies Act 2013 in the Meeting of Board of Directors held on 14<sup>th</sup> November, 2013 with the following Directors:-

Mr. Anurag Choudhary

Mr. Tushar Choudhary

Mr. Vikash Kumar Patodia

### **ii. Terms of Reference:**

- a) To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down;
- b) To recommend to the Board their appointment and removal;
- c) To carry out evaluation of every director's performance;
- d) To formulate the criteria for determining qualifications, positive attributes and independence of a director; and
- e) To recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

### **iii. Remuneration of Directors**

All the Directors are non-executive and no remuneration is paid to any directors including sitting fee.

## **C. STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Stakeholders Relationship Committee comprises of Mr. Vikash Kumar Patodia, Mr. Vipin Gupta and Mr. Anurag Choudhary. Mr. Vikash Kumar Patodia is the Chairman of the Committee. The Committee looks into and disposes off the grievances received from the shareholders and investors in all share related matters and all queries relating to the Company's performances and Annual Report. It ensures that all grievances are promptly resolved. During the year under review, the Company has not received any complaint from its shareholders.

## **D. SHARE TRANSFER COMMITTEE**

The Share Transfer Committee, comprising of Mr. Anurag Choudhary and Mr. Tushar Choudhary, meets at least once in every month depending on the volume of requests received. The Share Transfer Committee of the Board have been delegated with the authority to deal with all Share transfer / transmission, Split / Consolidation/Duplicate issue requests and approval thereof.

**GENERAL BODY MEETINGS**

Location, Date and Time of General Meetings held during the last three years:-

Date	Location	AGM / EGM	Day	Time
29/09/2011	8, India Exchange Place, 2 <sup>nd</sup> Floor, Kolkata - 700001	AGM	Thursday	10.00 A.M
27/09/2012	8, India Exchange Place, 2 <sup>nd</sup> Floor, Kolkata - 700001	AGM	Thursday	10.00 A.M
28/09/2013	8, India Exchange Place, 2 <sup>nd</sup> Floor, Kolkata - 700001	AGM	Saturday	10.00 A.M

There were no Special Resolution put through postal ballot.

**STATUTORY COMPLIANCES, PENALTIES AND STRICTURES**

The Company has complied with the requirements of the Stock Exchanges / SEBI and Statutory Authorities on all matters related to Capital markets during the last three years. There are no penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authorities relating to the above.

**RECONCILIATION OF SHARE CAPITAL AUDIT REPORT**

A qualified Practicing Company Secretary carried out the reconciliation exercise of total admitted Share Capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and Listed Share Capital. The reconciliation confirms that the total Issued / Paid-up Capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

**MEANS OF COMMUNICATION**

The Company regularly intimates Un-audited as well as Audited Financial Results to the Stock Exchanges immediately after the Board takes them on record. Further, these results are published in one English (having wide circulation) and in one Bengali Dailies.

**GENERAL SHAREHOLDERS' INFORMATION****ANNUAL GENERAL MEETING**

- Date & Time** : 30<sup>th</sup> September 2014 at 09.30 am  
**Venue** : 8, India Exchange Place, 2<sup>nd</sup> Floor, Kolkata- 700 001  
**Financial Calendar** : Year ending - 31<sup>st</sup> March 2014  
**Date of Book Closure** : 23<sup>rd</sup> September, 2014 to 30<sup>th</sup> September, 2014 (both days inclusive)  
**Listing on Stock Exchanges** : The Calcutta Stock Exchange Limited, 7, Lyons Range, Kolkata-1

The Company is regular in payment of Annual Listing Fees to stock exchanges.

<b>Listing Code</b>	CSE - 18043
<b>ISIN</b>	INE018C01010

**MARKET PRICE DATA**

The shares of the Company are listed at the Calcutta Stock Exchange Limited. Since shares are not traded actively in market, market data are not available.

**REGISTRAR & SHARE TRANSFER AGENT**

M/s. S.K. Infosolutions Pvt. Ltd, 34/1A, Sudhir Chatterjee Street, Kolkata - 700 006 Tel. no. (033) 2219-4815/6797, e- mail: agarwalskc@rediffmail.com / skcdilip@gmail.com

**SHARE TRANSFER SYSTEM**

The Shareholders may lodge the Shares held in physical form with the Company's Registrar and Share Transfer Agent (RTA) at the address given above. The transfers are normally processed within 15 days from the date of the receipt of the valid documents.

The Shares of the Company are traded in the Stock Exchanges compulsorily in demat mode. The shareholders may send their share certificates in physical form together with Demat Request Note (DRN) through their Depository Participants (DP) directly to the Company's RTA for dematerialisation. The Company's RTA will always confirm dematerialisation within 15 days from the date of generation of DRN and ensure that no demat request remain pending beyond 30 days.

**NOMINATION FACILITIES**

Members holding shares in Physical form may avail the facility of nomination in terms of Section 72 of the Companies Act, 2013. This facility is mainly useful in case of those holders who hold their shares/debentures in their sole name. The investors are advised to avail of these facilities, specially those, holding shares /debentures in single name, to avoid any complication in the process of transmission, in case of death of the holder. In case of shares held in physical mode the nomination form may be obtained from the RTA. In case of shares held in demat mode, such nomination has to be conveyed to the holder's DP as per formats prescribed by them.

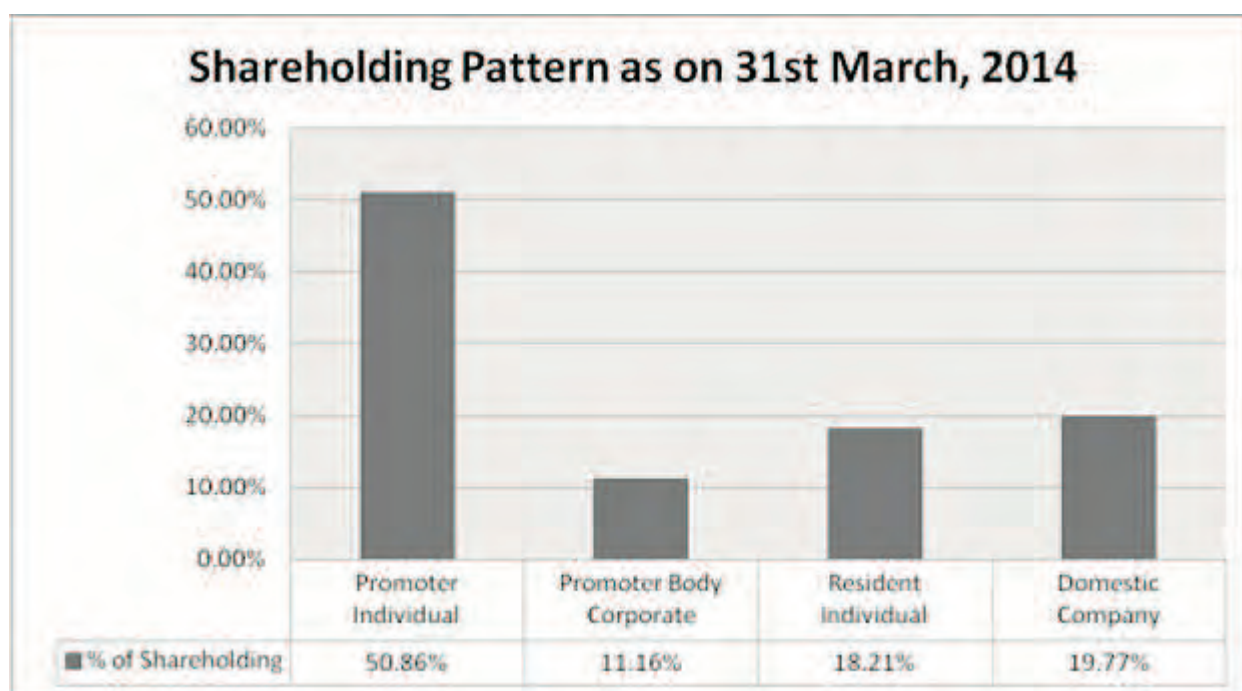
**DISTRIBUTION OF SHARE HOLDING AS ON 31<sup>st</sup> MARCH, 2014**

Category (Range in No. of Shares)	No. of Shareholders	Percentage (%)	No. of shares	Percentage (%)
Upto 500	517	69.58	113,500	3.77
501-1000	56	7.54	47,300	1.58
1001-2000	33	4.44	48,300	1.61
2001-3000	61	8.21	168,800	5.63
3001-4000	37	4.98	137,000	4.57
4001-5000	7	0.94	31,400	1.05
5001-10000	5	0.67	32,300	1.08
10001-50000	11	1.48	318,600	10.62
50001-100000	10	1.35	798,500	26.61
100001 and above	6	0.81	1,304,500	43.48
<b>TOTAL</b>	<b>743</b>	<b>100.00</b>	<b>3,000,200</b>	<b>100.00</b>

**SHAREHOLDING PATTERN AS ON 31<sup>st</sup> MARCH, 2014**

Category	No. of Shareholders	No. of Shares	Percentage of Shareholding (%)
<b>Promoter Group</b>			
Individuals	24	1,526,000	50.86
Bodies Corporate	1	334,900	11.16
<b>Sub-Total (A)</b>	<b>25</b>	<b>1,860,900</b>	<b>62.02</b>
<b>Non-Promoter</b>			
Bodies Corporate	25	593,100	19.77
Resident Individual	693	546,200	18.21
<b>Sub Total (B)</b>	<b>718</b>	<b>1,139,300</b>	<b>37.98</b>
<b>TOTAL</b>	<b>743</b>	<b>3,000,200</b>	<b>100.00</b>





### DEMATERIALIZATION OF EQUITY SHARES AND LIQUIDITY

As on 31<sup>st</sup> March 2014, there were 1,951,600 equity shares held in dematerialized form out of total Issued Capital of 3,000,200 equity shares, representing 65.05% and the remaining 1,048,600 equity shares representing 34.95 % were held in physical form.

### DISCLOSURES

#### a. Related Party Transactions

Related Party Transactions are defined as the transactions of the Company of a material nature, with its Promoters, Directors or the management, or their subsidiaries or relatives, among others, that may have potential conflict with the interest of the Company at large.

Among the related party transactions, are the contracts or arrangements, made by the Company from time to time, with the Companies in which Directors are interested. The Audit Committee reviews periodically the significant related party transactions. All these contracts or arrangements are entered in the Register of the Contracts maintained under section 301 of the Companies Act, 1956 and the Register is placed before Board Meetings. All transactions covered under the related party transactions are regularly ratified and /or approved by the Board. There were no material transactions during 2013-14 that were prejudicial to the interest of the Company.

The Board has obtained certificates / disclosures from key management personnel confirming that they did not have any material, financial and commercial interest in transactions with the Company that may have a potential conflict with the Company's interest at large.

There are no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management and their subsidiaries or relatives that may have potential conflict with Company's interest at a large. Related party transactions are included in the Notes to the Annual Accounts of the Company for the year ended 31<sup>st</sup> March 2014.

**b. Statutory compliances, penalties & strictures**

The Company complied with the requirements of the Stock Exchanges/ SEBI and statutory authorities on all matters related to capital markets. There were no instances of non-compliance on any matter relating to the capital market during the last three years. There were no penalties or strictures imposed on the Company by the Stock Exchanges/SEBI or any statutory authority in any matter related to capital markets.

**c. Mandatory and non-mandatory requirements**

The Company complied with the mandatory requirements and adoption of non-mandatory requirements under Clause 49 of the Listing Agreement which are reviewed by the management from time to time.

**d. Shareholding of Non-executive director**

As on 31<sup>st</sup> March, 2014 Non-executive directors were holding following shares in the Company:-

	<b>Name of Directors</b>	<b>No. of Shares</b>	<b>% of Shares</b>
1.	Mr. Anurag Choudhary	150,100	5.00 %
2.	Mr. Tushar Choudhary	70,100	2.33 %
3.	Mr. Vikash Kumar Patodia	Nil	Nil
4.	Mr. Vipin Gupta	Nil	Nil

**e. Address for Correspondence**

Himadri Credit & Finance Limited  
23A, Netaji Subhas Road, 8th floor,  
Suite - 15, Kolkata - 700 001  
Phone (033) 2230-4363/9953

**For and on behalf of the Board**

Place: Kolkata  
Dated: May 27, 2014

sd/-  
**Anurag Choudhary**  
Director

sd/-  
**Tushar Choudhary**  
Director

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**HIMADRI CREDIT & FINANCE LIMITED**  
**ANNEXURE TO THE REPORT ON CORPORATE GOVERNANCE**

**AUDITORS' CERTIFICATE**

**To**  
**The Members of**  
**Himadri Credit & Finance Limited**

We have examined the compliance of conditions of Corporate Governance by Himadri Credit & Finance Limited for the year ended on 31<sup>st</sup> March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Registrar of the Company.

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

**For AGARWAL PRASAD & CO.**  
**CHARTERED ACCOUNTANTS**  
Firm's Registration Number: 311068E

sd/-

**S.K. AGRAWAL**

**Partner**

**Membership No: 50163**

P-45, Khairu Place,  
Kolkata - 700072  
Dated: May 27, 2014

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**DECLARATION BY THE DIRECTOR**

**To**  
**The Members of**  
**Himadri Credit & Finance Limited**

**Sub: Declaration under clause 49 of the Listing Agreement**

I hereby declare that all Directors and the designated personnel in the Senior Management of the Company have affirmed compliance with the Codes of Conduct as applicable to them for the financial year ended 31<sup>st</sup> March, 2014.

**Place: Kolkata**  
**Dated: May 27, 2014**

sd/-  
**Anurag Choudhary**  
**Director**

**CEO/ CFO Certification**

**To**  
**The Board of Directors**  
**Himadri Credit & Finance Limited**

**Re: CEO/ CFO certification in terms of Clause 49 (v) of the Listing Agreement**

We, 1) Anurag Choudhary, and 2) Mr. Tushar Choudhary, Directors of the Company, certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2014 and that to the best of our knowledge and belief :
- i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
- i) Significant changes in internal control over financial reporting during the year;
  - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Place: Kolkata**  
**Dated: May 27, 2014**

**sd/-**  
**Anurag Choudhary**  
**Director**

**sd/-**  
**Tushar Choudhary**  
**Director**

**MANAGEMENT DISCUSSION & ANALYSIS****INDIAN ECONOMY**

The Indian Economy adversely effected in Financial Year 2013-14, because of high inflation, and global economic slowdown. These were the major factors, resulting in the monetary and fiscal imbalance estimated at 5%. In addition to Headwinds in developed nations and domestic supply bottlenecks also affected India’s economic growth adversely. The economy continued to have difficult market conditions due to the subdued industrial activity, low investments levels in infrastructure projects and weak business sentiments. In FY 2013-14, India’s GDP grew by 4.7%, as compared to 4.5% in FY 2012-13. Inflation has shown moderation in the recent months with WPI declining to 5.7% in March 2014 from a high of 7.5% in November 2013. CPI also experienced a similar trend and decreased to 8.3% in March 2014 from 11.2% in November 2013. During the last quarter of the financial year, the Indian currency has stabilized and strengthened against the US dollar providing some relief to the Indian importers. There were some early signs of improvement in the economy with the deficits under manageable levels. The improvement in GDP growth is likely to grow to 5.6 % during fiscal year 2014-15 mainly because of growth in manufacturing sector, which will also impact the financial sector

The corrective measures taken in the form of reducing fuel subsidies, opening doors for FDI in retail and promoting and growing rural income will also aid economic growth. It is also expected that an improved monsoon with growing rural income could provide the necessary support for further improvement in economic prospects. Further the measures proposed to be taken for lowering the deficit by means of generating funds by disinvestment etc will be a welcome step in gearing the economy towards right direction.

**OPPORTUNITIES AND THREATS**

In financial sector cost of fund is a major threat to the Industry, however the Government of India has recently taken some measures to open the door for inflow of FDI which will be bearing positive impact on the Indian economy and for improving the availability of funds at cheaper rate ultimately resulting to lowering the inflation in consumer sector. The measures adapted by the Ministry of Finance for allowing privatisation of public sector banks and opening the doors for new entities will be a welcome step to overcome the bottlenecks in the financial sector. The volatility of the Indian currency against dollar has further adversely affected the financial sector as well as the corporate world. Unless the trend of declining the rupee against dollar is stabilised, this will be a major threat for the Indian economy. However at the beginning of the financial year the Indian Currency has shown stability against dollar which has given relief to the Industry.

**THE COMPANY**

The management is committed to optimum utilisation of its resources in best interest of the Company to boost the shareholders wealth. The long term funds are realizing and short term investments are being made to meet the requirement of working capital. The management is looking forward to consolidate its position both in financial and investment activities and to mobilise further funds for deploying into profitable ventures.

**INTERNAL CONTROL & THEIR ADEQUACY**

The Company has a adequate internal control system in place. The internal control system ensures that the assets and interests of the Company are safeguarded and accuracy in accounting records and data is maintained. The control system ensures that proper checks and reviews are conducted to ensure compliance with all laws and regulations applicable to the Company. The Company also has a robust management information system operational which is an integral part of the control mechanism. The control system is improved and modified on continuous basis to meet the changes in business, statutory and accounting requirements.

The Audit Committee of the Board of Directors and Statutory Auditors periodically review the internal controls and corrective actions are taken accordingly

**STATUTORY COMPLIANCE**

The Management ensures compliance with the SEBI regulations and provisions of the Listing Agreements. The Company, with a view to cover the risk of compliance with various rules and regulation of the Companies Act, SEBI regulations and Listing Agreements, has adopted a system of obtaining declaration from designated persons of such compliance. A declaration regarding compliance with the provisions of the various statutes is made by the Directors of the Company.

**OUTLOOK**

NBFCs play a vital role in financial Sector in our economy along with the other financial institutions. NBFC have become an alternate choice of finance due to their strategic management practices, refined operational techniques along with the low cost of delivery and product specialization resulting in ease of operation and Credit delivery. Seeing the overall slowdown in growth of Indian Economy, raising interest cost and inflation, the outlook of the industry within which the Company operates, has to face many challenges, which may have impact on the business of the Company.

**CAUTIONARY STATEMENT**

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations 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.

**COMPLIANCE CERTIFICATE**

**CIN L65921WB1994PLC062875**

**To,**  
**The Members,**  
**HIMADRI CREDIT & FINANCE LTD.**  
23A, Netaji Subhas Road, 8<sup>th</sup> Floor  
Kolkata - 700 001

I have examined the registers, records, books and papers of **HIMADRI CREDIT & FINANCE LIMITED** (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the Rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March, 2014 (financial year). In my opinion and to the best of my information and according to the examination carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this Certificate, as per the provisions and the Rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure 'B'** to this Certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the Rules made thereunder.
3. The Company being a Public Limited Company has the minimum prescribed paid-up capital.
4. The Board of Directors duly met Five (5) times respectively on 29.05.2013, 14.08.2013, 04.09.2013, 14.11.2013, and 13.02.2014 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members during the financial year from 26<sup>th</sup> September, 2013 to 28<sup>th</sup> September, 2013 both the days inclusive, in connection with the Annual General Meeting of the Company held on 28<sup>th</sup> September 2013 after giving due notice u/s 154 of the Act.
6. The Annual General Meeting for the financial year ended 31<sup>st</sup> March, 2013 was held on 28<sup>th</sup> September, 2013 after giving due notice to the members of the Company and the resolution passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the year.
8. The Company has not advanced any loan to its Director's and /or persons or firms or Company referred to under Section 295 of the Act.
9. The Company has duly complied with the provisions of Section 297 of the Act.

10. The Company has duly made necessary entries in the Register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government as the case may be.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company has :
  - a. Not effected transfer/transmission of shares during the financial year and has not allotted any preference shares during the year;
  - b. The Company having not paid any equity dividend there was no need to open separate dividend account nor was there any unpaid/unencashed dividend attracting the provisions of Section 205C of the act.
  - c. Duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no Appointment / Resignation of Director during the year.
15. The Company having less than the prescribed paid-up capital, the provisions of Section 269 of the Act with regard to the appointment of Managing Director/ Whole-time Director/ Manager does not apply to the Company.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/ or such other authorities prescribed under the various provisions of the Act.
18. The Directors have disclosed their Interests in other firms/ Companies to the Board of Directors pursuant to provisions of the Act and the Rules made thereunder.
19. The Company has not issued any Equity shares/ debentures/ other securities during the financial year, nor was there any outstanding debenture.
20. The Company has not bought back any share(s) during the financial year.
21. There was no redemption of preference share(s)/debenture(s) during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividends, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any advances or deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The amount borrowed by the Company from financial institution/ others were within the limits prescribed u/s 293(i) (d) of the Act.
25. The Company has duly complied with the provisions of Section 370 & 372A of the Act.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year



- under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
  28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
  29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year for increase u/s 94 of the Act.
  30. The Company has not altered its Articles of Association during the financial year.
  31. As informed by the Company, there was no prosecution initiated against or show cause notices received by the Company during the financial year, for offence under the Act.
  32. The Company has not received any money as security from its employees during the financial year.
  33. As reported by the management the provisions of the payment of Provident Fund Act was not applicable to the Company during the financial year.

**Place: Kolkata**  
**Date: May 27, 2014**

sd/-  
**S. K. Ghosh**  
**Company Secretary in Practice**  
**CP No.: 2018**

**ANNEXURE - A**

1. Register of Members	:	u/s 150
2. Register of Contracts	:	u/s 301
3. Register of Directors	:	u/s 303
4. Register of Director's Shareholdings	:	u/s 307
5. Books of Accounts	:	u/s 209
6. Minutes Books	:	u/s 196

**ANNEXURE - B**

**Forms and Returns filed by the Company with Registrar of Companies, during the financial year ended 31<sup>st</sup> March, 2014.**

Form 66 for the year 2012-2013 filed on 02-10-2013  
Form 23AC & 23ACA for the year 2012-2013 filed on 25-10-2013  
Form 20B for the year 2012-2013 filed on 19-11-2013

**Place: Kolkata**  
**Date: May 27, 2014**

sd/-  
**S. K. Ghosh**  
**Company Secretary in Practice**  
**CP No.: 2018**

**INDEPENDENT AUDITORS' 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 March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

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

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

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

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013; and
  - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For AGARWAL PRASAD & CO.**  
**CHARTERED ACCOUNTANTS**  
Firm's Registration Number: 311068E  
sd/-  
**S.K. AGRAWAL**  
**Partner**  
**Membership No: 50163E**

P-45, Khairu Place,  
Kolkata - 700072  
**Dated: May 27, 2014**

**ANNEXURE TO THE AUDITORS' REPORT****(REFERRED TO IN PARAGRAPH (3) OF OUR REPORT OF EVEN DATE)**

- (i) (a) The Company has maintained proper records to show full particulars, including the quantitative details and situation of fixed assets. The management has physically verified the fixed assets of the Company and the management noticed no discrepancies.
- (b) There was no substantial disposal of fixed assets during the year.
- (ii) Since the company does not have any inventory, the provisions of sub-clause (a), (b) and (c) are not applicable to the Company.
- (iii) (a) The Company has not granted any loan during the year, secured or unsecured, to companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956.
- (b) The Company has not taken any loan during the year, secured or unsecured, from Companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956.
- (iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business, for the purchase of shares / securities / units and fixed assets and with regard to the sale of shares / securities / units. During course of our audit, no major weaknesses have been noticed in the internal controls.
- (v) During the year under review, there are no transactions made in pursuance of contracts or arrangements entered in the register maintained u/s 301 of the Companies Act, 1956.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public to which the provisions of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 apply.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and according to the explanations given to us, the Company has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 to maintain Cost Records.
- (ix) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service Tax, Custom Duty, Excise Duty, cess and any other statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, wealth-tax, sales-tax, service tax, customs duty, excise duty and cess were outstanding as at 31st March, 2014, for a period exceeding six months from the date they became payable.
- (b) On the basis of our examination of records and according to explanations given to us, there are no dues of Sales tax, Income tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and Cess, which have not been deposited because of any dispute.
- (x) The company does not have any accumulated losses & also has not incurred any cash losses during the financial year covered by our audit & immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.

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**HIMADRI CREDIT & FINANCE LIMITED**

- (xii) According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of the transactions and contracts and timely entries have been made therein. The shares / securities / units have been held by the Company in its own name except for certain shares / securities / units which are either lodged for transfer or held with valid transfer forms.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institution.
- (xvi) The Company has not taken any term loans from any financial institution during the year. Accordingly, the provisions of clause 4 (xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xvii) Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term investment and vice versa, other than temporary deployments pending application.
- (xviii) The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) During the year covered by our audit report, the Company has not raised any money by public issues.
- (xxi) 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.

**For AGARWAL PRASAD & CO.**

CHARTERED ACCOUNTANTS

Firm's Registration Number: 311068E

sd/-

**S.K. AGRAWAL**

**Partner**

**Membership No: 50163**

P-45, Khairu Place,  
Kolkata - 700072  
**Dated: May 27, 2014**

**HIMADRI CREDIT & FINANCE LIMITED****BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2014**

(Amount in ₹)

	Note No.	As at 31st March, 2014	As at 31st March, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	30,002,000	30,002,000
Reserves and surplus	3	<u>34,441,574</u>	<u>34,032,261</u>
		64,443,574	64,034,261
<b>Non-current liabilities</b>			
Other long-term liabilities	4	<u>60,400,000</u>	<u>60,700,000</u>
		60,400,000	60,700,000
<b>Current liabilities</b>			
Short Term Borrowings	5	20,084,329	-
Trade Payables	6	42,796	31,003
Other current liabilities	7	32,056	31,365
Short-term provisions	8	<u>40,230</u>	<u>27,047</u>
		20,199,411	89,415
<b>TOTAL</b>		<u><u>145,042,985</u></u>	<u><u>124,823,676</u></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
-Tangible assets	9	20,148	20,148
Non-current investments	10	120,881,544	121,051,692
Deferred tax assets (net)	11	426,301	215,072
Long-term loans and advances	12	<u>698,688</u>	<u>818,688</u>
		122,026,681	122,105,600
<b>Current assets</b>			
Current Investments	13	523,576	-
Cash and cash equivalents	14	2,167,993	2,580,738
Short-term loans and advances	15	<u>20,324,735</u>	<u>137,338</u>
		23,016,304	2,718,076
<b>TOTAL</b>		<u><u>145,042,985</u></u>	<u><u>124,823,676</u></u>
<b>Significant Accounting Policies</b>	1		
<b>Notes to Financial Statements</b>	1 to 26		

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

In terms of our report attached

For Agarwal Prasad & Co.

Chartered Accountants

Firms' Registration Number : 311068E

sd/-

S.K.AGRAWAL

Partner

Membership No.50163

Place : Kolkata

Dated : May 27, 2014

For and on behalf of the Board of Directors

sd/-

ANURAG CHOUDHARY

Director

sd/-

TUSHAR CHOUDHARY

Director

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**HIMADRI CREDIT & FINANCE LIMITED****STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

		(Amount in ₹)	
	Note No.	For the year ended 31st March, 2014	For the year ended 31st March, 2013
<b>Revenue</b>			
Income From Operations	16	1,179,533	1,803,484
Other Income	17	1,553,576	720,000
<b>Total revenue</b>		<u>2,733,109</u>	<u>2,523,484</u>
<b>Expenses</b>			
Employees Benefit Expenses	18	2,168,074	2,011,467
Finance costs	19	95,699	-
Other expenses	20	271,252	268,875
<b>Total expenses</b>		<u>2,535,025</u>	<u>2,280,342</u>
<b>Profit before tax</b>		198,084	243,142
<b>Less : Tax expense</b>			
Current tax		-	-
Less : MAT credit Entitlement		-	18,254
Net Current tax		-	(18,254)
Tax expense relating to prior years		-	265,965
Deferred tax charge / (credit)		(211,229)	(216,750)
<b>Profit for the year</b>		<u>409,313</u>	<u>212,181</u>
<b>Earnings per equity share [nominal value of ₹ 10/- each (previous year ₹ 10/- each)]:</b>			
Basic		0.14	0.07
Diluted		0.14	0.07
<b>Significant Accounting Policies</b>	1		
<b>Notes to Financial Statements</b>	1 to 26		

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

In terms of our report attached

**For Agarwal Prasad & Co.**

Chartered Accountants

Firms' Registration Number : 311068E

sd/-

**S.K.AGRAWAL**

Partner

Membership No.50163

Place : Kolkata

Dated : May 27, 2014

**For and on behalf of the Board of Directors**

sd/-

**ANURAG CHOUDHARY**

Director

sd/-

**TUSHAR CHOUDHARY**

Director

**HIMADRI CREDIT & FINANCE LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2014**

Particulars	(Amount in ₹)	
	Year Ended 31st March,2014	Year Ended 31st March,2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax & Extra-Ordinary Items	198,084	243,142
Adjustments for :		
Other Income	(1,553,576)	(720,000)
Operating Profit before Working Capital Changes	(1,355,492)	(476,858)
Adjustments for change in:		
Loan & Advances to employees and security deposit	120,000	123,000
Trade Payables, other liabilities and provisions	25,667	30,967
<b>Cash Generated from Operations</b>	<b>(1,209,825)</b>	<b>(322,891)</b>
Add/(Less) : Direct Taxes refund/paid (net of payment/refund)	-	(99,240)
<b>Net Cash Inflow from Operating Activities</b>	<b>(1,209,825)</b>	<b>(422,131)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Increase) / Decrease in Short Term Loans and Advances	(20,187,397)	4,889,497
Purchase of investments	(1,450,000)	-
Proceeds from sale of investment	2,650,148	800,000
	<b>(18,987,249)</b>	<b>5,689,497</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase / (Decrease) in Other Long Term Liabilities	(300,000)	(6,665,000)
Increase / (Decrease) in Short Term Borrowings	20,084,329	-
	<b>19,784,329</b>	<b>(6,665,000)</b>
Net Increase in Cash/Cash Equivalents	(412,745)	(1,397,634)
Cash/Cash Equivalents at the beginning of the year	2,580,738	3,978,372
Cash/Cash Equivalents at the end of the year	2,167,993	2,580,738

**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 Agarwal Prasad & Co.**

Chartered Accountants

Firms' Registration Number : 311068E

sd/-

**S.K.AGRAWAL**

Partner

Membership No.50163

Place : Kolkata

Dated : May 27, 2014

**For and on behalf of the Board of Directors**

sd/-

**ANURAG CHOUDHARY**

Director

sd/-

**TUSHAR CHOUDHARY**

Director



**Notes to financial statements for the year ended 31 March 2014****1 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 by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

**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 Fixed Assets & Depreciation**

Fixed Assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises of their original cost of acquisition including preoperative expenses and related expenses of acquisition and installation.

Depreciation is provided on Straight Line Method at the rates specified in Schedule XIV to the Companies Act, 1956 and also on pro-rata basis, wherever applicable.

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's net selling price and value in use, which is determined by the present value of the estimated future cash flows.

**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**

No provision is made for Gratuity as the Payment of Gratuity Act,1972 is not applicable to the Company and the same are accounted for as and when paid. 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, deferred MAT Credit entitlement is separately recognized as an asset in the Balance Sheet. Deferred MAT credit entitlement is recognized and carried forward only if there is a reasonable certainty of it being set off against regular tax payable within the stipulated statutory 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.

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.

**l 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.

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.

		(Amount in ₹)	
		<u>31 March 2014</u>	<u>31 March 2013</u>
<b>2</b>	<b>Share Capital</b>		
	<b>Authorised</b>		
	40,00,000 Equity Shares of ₹10/- each		
	(Previous year 40,00,000 Equity Shares)	<u>40,000,000</u>	<u>40,000,000</u>
	<b>Issued,Subscribed &amp; Paid-Up</b>		
	30,00,200 Equity shares of ₹10/- each fully paid up		
	(Previous year 30,00,200 Equity Shares)	<u>30,002,000</u>	<u>30,002,000</u>
		<u>30,002,000</u>	<u>30,002,000</u>

## HIMADRI CREDIT & FINANCE LIMITED

### Notes to financial statements for the year ended 31 March 2014 (Continued)

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

Particulars	31 March 2014		31 March 2013	
	No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
Number of equity shares at the beginning	3,000,200	30,002,000	3,000,200	30,002,000
Number of equity shares at the end	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.

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

Name of Shareholder	31 March 2014		31 March 2013	
	No. of Shares held	% holding in that class of shares	No. of Shares held	% holding in that class of shares
Himadri Industries Ltd.	377,500	12.58	377,500	12.58
Himadri Chemicals & Industries Ltd.	334,900	11.16	334,900	11.16

		(Amount in ₹)	
		<u>31 March 2014</u>	<u>31 March 2013</u>
<b>3</b>	<b>Reserve &amp; Surplus</b>		
	(a) Reserve Fund (U/s 45-IC of the RBI Act) -		
	Opening balance	3,878,000	3,835,000
	Add: Transferred from surplus	82,000	43,000
	Closing balance	<u>3,960,000</u>	<u>3,878,000</u>
	(b) Surplus		
	Opening balance	30,154,261	29,985,080
	Add: Net Profit after tax transferred from Statement of Profit and Loss	409,313	212,181
		<u>30,563,574</u>	<u>30,197,261</u>
	Less : Appropriations :		
	Transferred to Reserve Fund	82,000	43,000
	Closing balance	<u>30,481,574</u>	<u>30,154,261</u>
	<b>Total</b>	<u><u>34,441,574</u></u>	<u><u>34,032,261</u></u>

## HIMADRI CREDIT & FINANCE LIMITED

Notes to financial statements for the year ended 31 March 2014 (Continued)

	<u>31 March 2014</u>	<u>(Amount in ₹)</u> <u>31 March 2013</u>	
<b>4 Other long-term liabilities</b>			
Unsecured Advances	60,400,000	60,700,000	
	<u>60,400,000</u>	<u>60,700,000</u>	
<b>5 Short Term Borrowings</b>			
Unsecured Loans repayable on demand - from other than bank	20,084,329	-	
	<u>20,084,329</u>	<u>-</u>	
<b>6 Trade Payables</b>			
Trade Payables (Other than Micro, Small and Medium Enterprises)	42,796	31,003	
	<u>42,796</u>	<u>31,003</u>	
<b>7 Other current liabilities</b>			
Statutory Liabilities	23,056	13,365	
Other Payables	9,000	18,000	
	<u>32,056</u>	<u>31,365</u>	
<b>8 Short-term provisions</b>			
Provision for employee benefits -Provision for Leave Encashment	40,230	27,047	
	<u>40,230</u>	<u>27,047</u>	
<b>9 Tangible assets</b>	<b>Vehicles</b>	<b>Office Equipments</b>	<b>Total</b>
<b>Gross Block</b>			
<b>Balance as at 31 March 2012</b>	184,971	218,000	402,971
Additions during the year	-	-	-
Disposals	-	-	-
<b>Balance as at 31 March 2013</b>	<u>184,971</u>	<u>218,000</u>	<u>402,971</u>
Additions during the year	-	-	-
Disposals	-	-	-
<b>Balance as at 31 March 2014</b>	<u>184,971</u>	<u>218,000</u>	<u>402,971</u>
<b>Depreciation</b>			
<b>Balance as at 31 March 2012</b>	175,723	207,100	382,823
Depreciation for the year	-	-	-
Accumulated depreciation on disposals	-	-	-
<b>Balance as at 31 March 2013</b>	<u>175,723</u>	<u>207,100</u>	<u>382,823</u>
Depreciation for the year	-	-	-
Accumulated depreciation on disposals	-	-	-
<b>Balance as at 31 March 2014</b>	<u>175,723</u>	<u>207,100</u>	<u>382,823</u>
<b>Net Block</b>			
As at 31 March 2013	9,248	10,900	20,148
<b>As at 31 March 2014</b>	<u>9,248</u>	<u>10,900</u>	<u>20,148</u>

## HIMADRI CREDIT & FINANCE LIMITED

Notes to financial statements for the year ended 31 March 2014 (Continued)

### 10 Non-Current Investments

#### Investment in Equity Instruments of Other entities, Non trade

	Face Value per Share (₹)	31 March 2014		31 March 2013	
		Number of Shares	Value (₹)	Number of Shares	Value (₹)
<b>Quoted - At cost - Fully paid up</b>					
Himadri Chemicals & Industries Ltd.	1	9,492,000	81,037,156	9,492,000	81,037,156
Ashoka Fashion Ltd.	10	10,000	105,000	10,000	105,000
Transchem Ltd.	10	10,000	642,500	10,000	642,500
Associated Alcohols & Breweries Ltd.	10	4,100	123,000	4,100	123,000
Ganpatik Yakshraj Ltd.	10	2,500	25,000	2,500	25,000
Biocon Limited	5	3,400	535,500	3,400	535,500
Wipro Ltd.	2	2,242	240,888	2,000	241,036
			<u>82,709,044</u>		<u>82,709,192</u>
<b>Unquoted - At cost - Fully paid up</b>					
Himadri Industries Ltd.	10	529,000	7,615,000	529,000	7,615,000
Himadri Dyes & Intermediates Ltd.	10	300,000	3,000,000	300,000	3,000,000
Himadri Coke & Petro Ltd.	10	320,250	16,995,000	320,250	16,995,000
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	55,000	550,000	72,000	720,000
Raghu Management Ltd.	10	80,000	800,000	80,000	800,000
Raghupati Consultants Ltd.	10	80,000	800,000	80,000	800,000
Rameshwar Consultants Ltd.	10	80,000	800,000	80,000	800,000
Padmavati Estates Pvt.Ltd.	10	6,500	650,000	6,500	650,000
			<u>38,172,500</u>		<u>38,342,500</u>
<b>TOTAL</b>			<u>120,881,544</u>		<u>121,051,692</u>
Aggregate Cost of Quoted Investments			82,709,044		82,709,192
Aggregate Market Value of Quoted Investments			199,439,379		119,835,950
Aggregate Cost of Unquoted Investments			38,172,500		38,342,500
			<u>31 March 2014</u>	<u>(Amount in ₹)</u>	<u>31 March 2013</u>
<b>11 Deferred tax assets (net)</b>					
Deferred tax assets					
-On unabsorbed loss			428,415		216,986
Deferred tax liabilities					
-Difference in depreciation on fixed assets			2,114		1,914
			<u>426,301</u>		<u>215,072</u>
<b>12 Long-term loans and advances</b>					
(Unsecured, considered good)					
Security Deposits			35,090		35,090
Others					
Deferred MAT credit entitlement			626,466		626,466
Advance to employees			37,132		157,132
			<u>698,688</u>		<u>818,688</u>

**HIMADRI CREDIT & FINANCE LIMITED**

Notes to financial statements for the year ended 31 March 2014 (Continued)

	31 March 2014	(Amount in ₹) 31 March 2013
<b>13 Current Investments</b>		
<b>In Mutual Fund -Unquoted - At cost - Fully paid up</b>		
DWS Ultra Short Term Fund - Direct Plan - Growth	523,576	-
	<u>523,576</u>	<u>-</u>
<b>14 Cash and cash equivalents</b>		
Cash in hand	1,313,219	1,759,258
Balance with Banks in Current Account	854,774	821,480
	<u>2,167,993</u>	<u>2,580,738</u>
<b>15 Short-term loans and advances</b> (Unsecured, considered good)		
Loan to parties other than related parties	20,187,397	-
Income Tax Payments / Refundable	6,338	6,338
Advance to employees	131,000	131,000
	<u>20,324,735</u>	<u>137,338</u>
<b>16 Revenue from Operations</b>		
Interest Received	187,397	-
Commission Received	-	825,784
Dividend from long term investment in equity shares	992,136	977,700
	<u>1,179,533</u>	<u>1,803,484</u>
<b>17 Other Income</b>		
Capital Gain (net of expenses)	1,553,576	720,000
	<u>1,553,576</u>	<u>720,000</u>
<b>18 Employees Benefit Expenses</b>		
Salaries and Bonus	2,146,711	1,988,187
Staff Welfare Expenses	21,363	23,280
	<u>2,168,074</u>	<u>2,011,467</u>
<b>19 Finance costs</b>		
Interest Expenses	95,699	-
	<u>95,699</u>	<u>-</u>
<b>20 Other expenses</b>		
Rates & Taxes	5,520	4,840
Advertisement	97,583	122,678
Auditors' Remuneration		
- Statutory Audit Fees	6,000	6,000
- Other Services	3,000	3,000
Miscellaneous Expenses	159,149	132,357
	<u>271,252</u>	<u>268,875</u>
<b>21 Contingent Liabilities not provided for are ₹ NIL (Previous Year ₹ NIL)</b>		
<b>22</b> 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 <sup>st</sup> March, 2014. 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.		

## HIMADRI CREDIT & FINANCE LIMITED

### Notes to financial statements for the year ended 31 March 2014 (Continued)

23 Additional Information pursuant to the provisions of Schedule VI to the Companies Act 1956 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) |

24 **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	<u>31 March 2014</u>	<u>31 March 2013</u>
a) Profit After Tax (₹)	409,313	212,181
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 (₹)	0.14	0.07

25 **Related Party Transaction:**

Enterprises owned or significantly Influenced by the Key Managerial Personnel or their relatives	Himadri Chemicals & Industries Limited Himadri Dyes & Intermediates Limited Himadri Coke & Petro Limited Himadri Industries Limited Sri Agro Himghar Limited
--	--

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

Nature of transactions	<b>(Amount in ₹)</b>	
	<u>31 March 2014</u>	<u>31 March 2013</u>
<b>Other long-term liabilities - Unsecured Advances</b>		
Repayment to : Himadri Dyes & Intermediates Limited	300,000	6,665,000
<b>Dividend Received-Himadri Chemicals &amp; Industries Limited</b>	948,700	948,700
<b>Balances at year end :-</b>		
<b>Other long-term liabilities - Advances</b>		
Himadri Dyes & Intermediates Limited	60,400,000	60,700,000
<b>Investment held-</b>		
Himadri Chemicals & Industries Limited	81,037,156	81,037,156
Himadri Industries Limited	7,615,000	7,615,000
Himadri Dyes & Intermediates Limited	3,000,000	3,000,000
Himadri Coke & Petro Limited	16,995,000	16,995,000
Sri Agro Himghar Limited	5,545,000	5,545,000

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

In terms of our report attached

For Agarwal Prasad & Co.

Chartered Accountants

Firms' Registration Number : 311068E

sd/-

S.K.AGRAWAL

Partner

Membership No.50163

Place : Kolkata

Dated : May 27, 2014

For and on behalf of the Board of Directors

sd/-

ANURAG CHOUDHARY

Director

sd/-

TUSHAR CHOUDHARY

Director



**HIMADRI CREDIT & FINANCE LIMITED**

**SCHEDULE TO BALANCE SHEET OF NON BANKING FINANCIAL COMPANY**

(as required by Paragraph 13 of Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions,2007)

Particulars		(Amount in ₹)	
		Amount Outstanding	Amount Overdues
<b>Liabilities side:</b>			
(1)	<b>Loans and Advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:</b>		
	a) Debentures : Secured	Nil	
	: Unsecured	Nil	
	(Other than falling within the meaning of public deposits)		
	b) Deferred Credits	Nil	
	c) Term Loan	Nil	
	d) Inter-corporate loans and borrowing	<b>20,084,329</b>	
	e) Commercial Paper	Nil	
	f) Other Loans (Cash Credit)	Nil	

(Amount in ₹)

Assets side:		Amount Outstanding
(2)	<b>Break-up of Loans and Advances including bills receivables [ Other than those included in (4) below]:</b>	
	a) Secured	Nil
	b) Unsecured	<b>20,390,619</b>
(3)	<b>Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities</b>	
	(i) Lease assets including lease rentals under sundry debtors:	
	a) Financial Lease	Nil
	b) Operating Lease	Nil
	(ii) Stock on hire including hire charges under sundry debtors:	
	a) Assets on hire	Nil
	b) Repossessed Assets	Nil
	(iii) Other Loans counting towards AFC activities	
	a) Loans where assets have been repossessed	Nil
	b) Loans other than (a) above	Nil

(4)	<b>Break-up of Investments:</b>	
	<u>Current Investments:</u>	
	<u>1 Quoted:</u>	
	(i) Shares:	
	a) Equity	Nil
	b) Preference	Nil
	(ii) Debentures and Bonds	Nil
	(iii) Units of Mutual Funds	Nil
	(iv) Government Securities	Nil
	(v) Others (Please Specify)	Nil
	<u>2 Unquoted:</u>	
	(i) Shares:	
	a) Equity	Nil
	b) Preference	Nil
	(ii) Debentures and Bonds	Nil
	(iii) Units of Mutual Funds	<b>523,576</b>
	(iv) Government Securities	Nil
	(v) Others (Please Specify)	Nil
	<u>Long Term Investments:</u>	
	<u>1 Quoted:</u>	
	(i) Shares:	
	a) Equity	<b>82,709,044</b>
	b) Preference	Nil
	(ii) Debentures and Bonds	Nil
	(iii) Units of Mutual Funds	Nil
	(iv) Government Securities	Nil
	(v) Others (Please Specify)	Nil
	<u>2 Unquoted:</u>	
	(i) Shares:	
	a) Equity	<b>38,172,500</b>
	b) Preference	Nil
	(ii) Debentures and Bonds	Nil
	(iii) Units of Mutual Funds	Nil
	(iv) Government Securities	Nil
	(v) Others (Please Specify)	Nil

**HIMADRI CREDIT & FINANCE LIMITED**

(5)	<b>Borrower group-wise classification of assets financed as in (2) and (3) above:</b> Please see Note 2 below			
	Category	Amount net of provisions		
		Secured	Unsecured	Total
	1 Related Parties**			
	a) Subsidiaries	Nil	Nil	Nil
	b) Companies in the same group	Nil	Nil	Nil
	c) Other related parties	Nil	Nil	Nil
	2 Other than related parties	Nil	20,390,619	20,390,619
	<b>Total</b>	<b>Nil</b>	<b>20,390,619</b>	<b>20,390,619</b>
(6)	<b>Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)</b>			
	Category	Market Value/ Break-up or fair value or NAV	Book Value (Net of Provision)	
	1 Related Parties			
	a) Subsidiaries	Nil	Nil	
	b) Companies in the same group	229,639,400	114,192,156	
	c) Other Related Parties	Nil	Nil	
	2 Other than related parties	7,972,479	6,689,388	
	<b>Total</b>	<b>237,611,879</b>	<b>120,881,544</b>	
(7)	<b>Other Information</b>			
	Particulars	Amount (₹)		
	(i) Gross Non-Performing Assets			
	a) Related Parties	Nil		
	b) Other than Related Parties	Nil		
	(ii) Net Non-Performing Assets			
	a) Related Parties	Nil		
	b) Other than Related Parties	Nil		
	(iii) Assets acquired in satisfaction of debt	Nil		

As per our report of even date

**For Agarwal Prasad & Co.**

Chartered Accountants

Firms' Registration Number : 311068E

sd/-

**S.K.AGRAWAL**

Partner

Membership No.50163

Place : Kolkata

**Dated : May 27, 2014**

**For and on behalf of the Board of Directors**

sd/-

**ANURAG CHOUDHARY**

Director

sd/-

**TUSHAR CHOUDHARY**

Director



# HIMADRI CREDIT & FINANCE LIMITED

CIN: L65921WB1994PLC062875

Regd. Office: 23-A, Netaji Subhas Road, 8<sup>th</sup> floor, Kolkata- 700 001

**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 of the member (s):	
Registered address:	
E-mail Id:	
Folio No/ Client Id:	
DP ID:	

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

1. 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 19<sup>th</sup> Annual General Meeting of the company, to be held on Tuesday the 30<sup>th</sup> day of September, 2014 at 9.30 a.m. at 8, India Exchange Place, 2<sup>nd</sup> Floor, Kolkata - 700001 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.	Resolution
1	Ordinary Resolution for adoption of Audited Financial Statements for the year ended 31st March 2014
2	Ordinary Resolution to appoint a Director in place of Mr. Tushar Choudhary, who retires by rotation and being eligible, offers himself for re-appointment
3	Ordinary Resolution to appoint M/s. Agarwal Prasad & Co. Chartered Accountants (Firm Registration No. 311068E) as Statutory Auditors of the Company, and fix their remuneration.
4	Ordinary Resolution for appointment of Mr. Vikash Kumar Patodia as Independent Director of the Company
5	Ordinary Resolution for appointment of Mr. Vipin Gupta as Independent Director of the Company

Signed this .....day of ..... 2014

\_\_\_\_\_  
Signature of shareholder

\_\_\_\_\_  
Signature of Proxy holder(s)



**Note: 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**