



Himadri Credit & Finance Limited

25th Annual Report
2019 - 20

CORPORATE INFORMATION

CORPORATE IDENTIFICATION NUMBER (CIN)

L65921WB1994PLC062875

DIRECTORS

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

COMPANY SECRETARY & CFO

Mr. Koushik Ranjan Saha

AUDITORS

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

BANKERS

Central Bank of India
ICICI Bank

SECRETARIAL AUDITOR

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

REGISTERED OFFICE

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

CORPORATE OFFICE

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

REGISTRAR & SHARE TRANSFER AGENT

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

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Himadri Credit & Finance Limited

CIN: L65921WB1994PLC062875

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

e-mail: hcfi@himadri.com | Website: www.himadricredit.in

Ph. No: 033-22309953

NOTICE

NOTICE is hereby given that the 25th Annual General Meeting (AGM) of the Members of Himadri Credit & Finance Limited will be held at its Corporate Office at 8 India Exchange Place, 2nd Floor, Kolkata- 700 001 on **Wednesday, 23 September 2020 at 10:30 a.m. (IST)** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31 March 2020 together with the report of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Tushar Choudhary (DIN: 00174003), who retires by rotation and being eligible, offers himself for re-appointment.

By Order of the Board of Directors

Sd/-

Koushik Ranjan Saha

Company Secretary

ACS: 35429

Place: Kolkata

Date: 15 June 2020

NOTES:

1. *In terms of Section 105 of the Companies Act, 2013, a Member entitled to attend and vote at the meeting is entitled to appoint another person as his/her proxy to attend and vote on a poll instead of himself/herself and such proxy need not be a Member of the Company.*
2. As per the provisions of Section 105 read with Rule 19(2) of the Companies (Management and Administration) Rules, 2014, a person shall not act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. The instrument appointing the proxy, in order to be effective, should be deposited, duly completed and signed, at the Registered Office of the Company not less than forty-eight hours before the commencement of the AGM. A proxy form is enclosed herewith.
4. The proxy holder shall provide his identity at the time of attending the Annual General Meeting.
5. When a Member appoints a proxy and where both the Member and the proxy attends the meeting, the proxy stands automatically revoked.
6. A Member would be entitled to inspect the proxies lodged with the Company, twenty four hours before the time fixed for the commencement of the meeting. Requisition for inspection of proxies by Members entitled to vote on any resolution shall be made in writing at least three days in advance before the commencement of the meeting.

7. Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM on its behalf and to vote through remote e-voting, pursuant to Section 113 of the Companies Act, 2013. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to csrajarshi@gmail.com with a copy marked to ksaha@himadri.com.
8. Members of the Company had approved the appointment of M/s. S. Jaykishan, Chartered Accountants, (Firm registration no. 309005E) as the Statutory Auditors at the 21st Annual General Meeting of the Company held on 30 September 2016 for a period of five years which is valid till 26th Annual General Meeting of the Company, subject to ratification of appointment by Members at every AGM. In accordance with the Companies (Amendment) Act, 2017, the ratification of appointment of Statutory Auditors at every Annual General Meeting has been done away. Hence ratification of appointment of Statutory Auditor is not forming part of notice.
9. Shareholders desiring any information as regards the Financial Statements of the Company are requested to write to the Company in advance so as to enable the management to keep the information readily available at the meeting.
10. 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 Body Corporate) personally present in the meeting at the commencement of business.
11. The Register of Members and Share Transfer Book of the Company will remain closed from **17 September 2020 to 23 September 2020** (both days inclusive) for the purpose of AGM.
12. Members are requested to intimate to the Company's Registrar and Share Transfer Agent, M/s S. K. Infosolutions Pvt. Ltd., 34/1A, Sudhir Chatterjee Street, Kolkata - 700 006 about consolidation of folios, if shareholdings are in multiple folios and bring copies of the Annual Report and the attendance slips with them while attending the Annual General Meeting.
13. Members holding shares in physical form may avail the facility of nomination in terms of Section 72 of the Companies Act, 2013, by submitting the Form No. SH-13 as per rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014. Blank nomination form will be made available on request to the Registrar & Share Transfer Agent.
14. Members may please note that in view of the proviso to Regulation 40(1) of the SEBI Listing Regulations except in case of transmission or transposition of securities, the request for effecting the transfer of securities shall not be processed unless the securities are held in the DEMAT form with a depository, therefore those Members who are holding shares in physical form will not be able to transfer those shares and they will be able to sell those shares only after their dematerialization with a Depository Participants (DP).
15. Members are requested to intimate about change in their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to the Company's Registrar and Share Transfer Agent, **M/s S K Infosolutions Pvt. Ltd., 34/1A, Sudhir Chatterjee Street, Kolkata - 700 006** through email at skcdilip@gmail.com in case the shares are held in physical form and to the Depository Participant (DP) in case of shares held in electronic form.
16. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (LODR) Regulations, 2013, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited ("NSDL") for facilitating voting through electronic means, as the authorized agency. National Securities Depositories Limited ("NSDL") will be providing facility for voting through remote e-voting at the 25th AGM of the Company. The instructions and other information relating to e-voting are given in the notice under note no 23.

17. The Board has appointed Mr. Rajarshi Ghosh, Practising Company Secretary (ACS 17717), as the scrutinizer to scrutinise the e-voting process (including the votes cast at the poll by the Members at the AGM) in a fair and transparent manner.
18. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.himadricredit.in immediately after declaration. The Company shall simultaneously forward the results to the Stock Exchange where the shares of the Company are listed.
19. As per the provisions of Section 20 of the Companies Act, 2013, in compliance with the MCA Circulars no.17/2020 dated 13 April 2020 and guidelines of Green Initiative, the Notice of the 25th AGM along with the Annual Report of the Company for the financial year ended 31 March 2020 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice inter alia indicating the process and manner of e-voting along with printed Attendance Slip and Proxy Form and Annual Report for the financial year ended 31 March 2020 shall also be available on the Company's website, at www.himadricredit.in and the website of NSDL at <https://www.evoting.nsdl.com>.
20. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 and Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 read with Rules made thereunder will be available for inspection by the Members at the AGM.
21. Mr. Koushik Ranjan Saha, Company Secretary of the Company shall be responsible for addressing all the grievances in relation to this AGM including e-voting. His details are as follows;
 Name: Mr. Koushik Ranjan Saha
 Designation: Company Secretary and Chief Financial Officer
 Registered office: 23A, Netaji Subhas Road, 8th Floor, Kolkata-700001
 Email id: hcfl@himadri.com
 Phone No.: 033-2230 9953

22. Disclosure pursuant to Regulation 36(3) of SEBI (LODR) Regulations, 2015 and Clause 1.2.5 of Secretarial Standard on General Meeting (SS-2) with respect to Directors seeking appointment / re-appointment at forthcoming AGM is given hereunder:

Name of Director	Mr. Tushar Choudhary
DIN	00174003
Date of Birth / Age	05.04.1974 (44 years)
Date of first appointment on the Board	28.08.2002
Qualifications	B. Com (Hons)
Experience (approx.)	20 years
Brief resume.	Mr. Tushar Choudhary is an Alumnus of Harvard Business School and a commerce graduate from the Calcutta University.
Terms and conditions of appointment or re-appointment	In terms of Section 152(6) of the Companies Act, 2013, Mr. Tushar Choudhary is liable to retire by rotation.
Relationship with other Directors & KMP	Mr. Bankey Lal Choudhary - Father
No. of shares held (₹ 1/- each)	70,100
Directorship in other Companies	Himadri Speciality Chemical Ltd; Next Generation Traders Pvt Ltd; Padmavati Estates Pvt Ltd; Gopal Management Ltd; Himadri E-Carbon Limited; Salasar Management Ltd; Sitaram Management Ltd; Trimurti Merchandise Pvt Ltd; Modern Hi- Rise Pvt Ltd; Swarnalekha Developers Pvt Ltd; AAT Techno-Info Limited; Sampoorana Merchandise Pvt Ltd; Himadri Real Estate Private Limited; Lotus Villa Private Limited; Himadri United Motors Pvt Ltd; Himadri Ujjwal Motors Pvt Ltd; Himadri Industries Pvt Ltd

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

- A. The e-voting period shall begin at **09:00 a.m. (IST) on 19 September 2020 and end at 5 p.m.(IST) on 22 September 2020**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date i.e. 16 September 2020**, may cast their vote electronically. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only. The remote e-voting module shall be disabled by NSDL for voting thereafter and the facility shall forthwith be blocked. Shareholders who have already voted prior to the AGM date would not be entitled to vote at the AGM venue.
- B. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the **cut-off date i.e. 16 September 2020**. Members are eligible to cast vote electronically only if they are holding shares either in physical form or demat form as on that date. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the notice and holding shares as of the **cut-off date i.e. 16 September 2020**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in.

1. HOW DO I VOTE ELECTRONICALLY USING NSDL E-VOTING SYSTEM?

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

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

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

Details on Step 1 is mentioned below:

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

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

- A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- Your User ID details are given below:

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

- Your password details are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?

- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.
- vi. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
 - vii. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 - viii. Now, you will have to click on "Login" button.
 - ix. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
 2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
 3. Select "EVEN" of company for which you wish to cast your vote.
 4. Now you are ready for e-Voting as the Voting page opens.
 5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
 6. Upon confirmation, the message "Vote cast successfully" will be displayed.
 7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote
2. **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL IDS ARE NOT REGISTERED WITH THE DEPOSITORIES FOR PROCURING USER ID AND PASSWORD AND REGISTRATION OF EMAIL IDS FOR E-VOTING FOR THE RESOLUTIONS SET OUT IN THIS NOTICE:**
 1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to skcdilip@gmail.com
 2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to skcdilip@gmail.com
 3. Alternatively Member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by providing the details mentioned in Point (1) or (2) as the case may be.

General Guidelines for shareholders:

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
2. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and

e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no: 1800-222-990 or send a request at evoting@nsdl.co.in.

By Order of the Board of Directors

Place: Kolkata
Date: 15 June 2020

Sd/-
Koushik Ranjan Saha
Company Secretary
ACS: 35429

BOARD'S REPORT

Dear Shareholders,

Your Directors are pleased to present the 25th Annual Report, together with the Audited Financial Statements and the Auditors' Report thereon for the financial year ended 31 March 2020.

STATE OF AFFAIRS OF THE COMPANY

The Financial Results of the Company for the financial year ended 31 March 2020 as compared to the previous financial year are summarised as under:

Amount in ₹ Lakh

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Total Revenue	156.18	126.37
Less: Total Expenditure	141.22	163.66
Profit before tax	14.96	(37.29)
Less: Tax Expenses		
- Current Tax	0.30	13.69
- Deferred Tax	9.51	(32.29)
- Prior Year Tax	0.02	0.08
Profit after tax	5.12	(18.78)

YEAR IN RETROSPECT

The Company involves in non- banking financial activities and during the year the Company earned a gross income of ₹ 156.18 lakhs for the year ended 31 March 2020 as against ₹ 126.37 lakhs for the year ended 31 March 2019 and profit after tax was ₹ 5.12 lakhs for the year ended 31 March 2020 as against loss of ₹ 18.78 lakhs for the year ended 31 March 2019. Your directors are optimistic for achieving better results during the current financial year by optimum utilisation of the available resources.

DIVIDEND

In order to conserve resources for future operations, your Directors do not recommend any dividend for the financial year 2019-20.

SHARE CAPITAL

The paid up Equity Capital as on 31 March 2020 was ₹ 3,00,02,000. During the year under review, the Company has neither issued any shares with differential voting rights nor granted stock options or sweat equity shares.

RESERVES

During the year under review ₹ 1,02,500 was transferred to reserves (u/s 45-IC of the RBI Act).

COVID-19

In the last month of financial year 2019-20, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees and on minimizing disruption to services. To ensure the safety and well-being of employees and all stakeholders and to prevent & contain the spread of COVID-19, your Company decided to temporarily close its offices with effect from 23 March 2020 till 31 March 2020. The Government extended the lock downs from time to time, also issued several guidelines and SOP to resume some essential services. The Company resumed its operations to ensure business continuity in the continuously evolving situation out of the COVID-19 outbreak, within the guidelines issued by the Government and health authorities. Several

measures have been taken to protect the safety, health and well-being of all employees, which remains on the top priority.

There is high level of uncertainty about the duration of the conditions and the time required to return to normalcy. The extent to which COVID-19 pandemic will impact the Company's provision on assets is dependent on the future developments which are highly uncertain. The impact of the global health pandemic may be different from that estimated at the date of approval of these standalone financial results and the Company will continue to closely monitor any material changes to future economic conditions.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

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

Further Mr. Vipin Gupta, Independent Director has resigned from service of the Company with effect from 13 August 2019. The Board places on record his appreciation for the services and contributions made by Mr. Gupta during his tenure.

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. In the preparation of Annual Accounts for the year ended 31 March 2020, the applicable Accounting Standards have been followed along with the proper explanation relating to material departures, if any.
2. The Directors have selected such accounting policies and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2020 and of the profit & loss of the Company for the year under review.
3. The Directors have taken proper and sufficient

care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

4. The Directors have prepared the annual accounts on going concern basis.
5. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
6. The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

INDEPENDENT DIRECTOR'S DECLARATION

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

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

COMPOSITION OF BOARD & MEETINGS OF BOARD

As on the date of this report, the Board consists of five (5) Directors out of which one Executive and two are Non-Executive Directors and two Independent Directors including one woman Director. None of the Directors is a member of the Board of more than twenty Companies or a Member of more than ten Board-level Committees or a Chairman of more than five such Committees. The Composition of the Board is in conformity with Section 149 of the Companies Act, 2013.

During the financial year 2019-20, the Board of Directors duly met Five (5) times respectively on 27 May 2019, 13 August 2019, 10 September 2019, 09 December 2019 and 14 February 2020. The maximum time gap in between two meetings of the Board did not exceed 120 days as required by the provisions of

Section 173(1) of the Companies Act, 2013. The details of attendance of Directors at the Board meeting are given hereunder:

Sl. No.	Director's Name	Category	No. of meetings attended
1	Mr. Bankey Lal Choudhary	Managing Director	3
2	Mr. Anurag Choudhary	Director, Non-Executive	4
3	Mr. Tushar Choudhary	Director, Non-Executive	5
4	Mr. Santosh Kumar Agrawala	Director-Independent	5
5	Mrs. Sucharita Basu De	Director-Independent	5
6	Mr. Vipin Gupta*	Director-Independent	2

*resigned from directorship w.e.f. 13 August 2019

SEPARATE MEETING OF INDEPENDENT DIRECTORS

Schedule IV of the Companies Act, 2013 and the SEBI Listing Regulations mandates the Independent Directors of the Company to hold at-least one meeting in a year, without the attendance of Non-Independent Directors and members of the Management. During FY 2019-20, 1 (One) separate meeting of Independent Directors was held on 14 February 2020 without the presence of the non-independent directors and the members of the Management, inter alia, to review performance of Non-Independent Director & the Board as a whole, to review performance of the Chairman and to assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board.

NOMINATION AND REMUNERATION COMMITTEE

Composition

The Nomination and Remuneration Committee of the Company, formulated in terms of the provisions of Section 178 of the Companies Act, 2013. The Chairman of the Committee is an Independent Director and the Members of the Committee are Non - Executive Directors. The Committee met on 13 August 2019 during the financial year 2019-20. The Composition of the Committee are as follows:

Sl. No.	Director's Name	Category	No. of meetings attended
1	Mr. Santosh Kumar Agrawala	Chairman – Independent Director	1
2	Mr. Anurag Choudhary	Member- Non Executive Director	1
3	Mr. Vipin Gupta*	Member-Independent Director	1
4	Ms. Sucharita Basu De*	Member-Independent Director	0

*During the year under review the committee has been reconstituted wherein Ms. Sucharita Basu De was appointed as a member of the Committee in place of Mr. Vipin Gupta, who resigned from directorship w.e.f. 13 August 2019.

Terms of Reference

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of performance of Directors;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- Recommending/reviewing remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria;
- Specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

Remuneration Policy

The Nomination and Remuneration Committee has framed a policy relating to the appointment, remuneration, independence and removal of Executive Directors, Independent Directors, Key Managerial Personnel and Other Senior Management Personnel of the Company, in accordance with the provisions of Section 178 of the Companies Act, 2013. The company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178 is available on Company's website at <http://himadricredit.in/>

AUDIT COMMITTEE

Composition

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

The Committee met Five (5) times during the year on 27 May 2019, 13 August 2019, 10 September 2019, 09 December 2019 and 14 February 2020 to review the periodic as well as the financial statements prior to their placement before the Auditors and the Board for their consideration. The Committee reviewed the results of operations, statement of significant Related Party Transactions (as defined by the Audit Committee) submitted by management. The composition of Audit Committee and the details of meetings attended by each of the Directors are given below:

Sl. No.	Director's Name	Category	No. of meetings attended
1	Mr. Santosh Kumar Agrawala	Chairman, Independent	5
2	Mr. Vipin Gupta*	Member, Independent	2
3	Mrs. Sucharita Basu De	Member, Independent	5
4	Mr. Bankey Lal Choudhary*	Member, Managing Director	2

*During the year the committee has been reconstituted wherein Mr. Bankey Lal Choudhary was appointed as a member of the Committee in place of Mr. Vipin Gupta, who resigned from directorship w.e.f. 13 August 2019.

Terms of Reference

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

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

SHARE TRANSFER COMMITTEE

The Company has a Share Transfer Committee consisting of Two (2) Directors as members.

The Committee met once during the year on 07 May 2019 to consider transfer/transmission of shares. The composition of Share Transfer Committee and the details of meetings attended by each of the Directors are given below:

Sl. No.	Director's Name	Category	No. of meetings attended
1	Mr. Anurag Choudhary	Non-Executive Director	1
2	Mr. Tushar Choudhary	Non-Executive Director	1

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

PUBLIC DEPOSIT

The Company during the year 2019-20 has not accepted any deposits from the public within the meaning of Section 73 of the Companies Act, 2013.

AUDITORS AND AUDITOR'S REPORT

● Statutory Auditors

The Company's existing Statutory Auditors, M/s S. Jaykishan, Chartered Accountants (Firm Registration No.: 309005E), who were appointed for the period of five years at the annual general meeting held on 30 September 2016 and their tenure will be continue upto the Annual General Meeting to be held for the financial year 2020-21. In accordance with Company (Amendment) Act, 2017, w.e.f 7 May 2018, the ratification of appointment of Statutory Auditor of every Annual General Meeting has been done away with, accordingly ratification of auditor is not forming part of notice of ensuing Annual General Meeting. The Report of the Auditors when read with the notes to the Accounts are self-explanatory and therefore, do not call for any further comments. The Auditors have not reported any fraud in terms of the second proviso to Section 143(12) of the Companies Act, 2013.

● Secretarial Auditor

Pursuant to provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Board has appointed Mr. Rajarshi Ghosh (CP No.8921), Practicing Company Secretary, to conduct Secretarial Audit for Financial Year 2019-20.

Secretarial Audit Report for the financial year ended 31 March 2020 is given in **Annexure-I** attached hereto and forms part of this Report.

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

EXTRACT OF THE ANNUAL RETURN

As per Section 134(3) of the Companies Act, 2013 which has been amended by Companies (Amendment) Act, 2017, the copy of the Annual Return is available at the website of the Company at <http://himadricredit.in/>.

Further as per Section 92(3) of the Companies Act, 2013 which has been amended by Companies (Amendment) Act, 2017, a copy of the Annual Return is required to be placed on the website of the Company and the web-link of such annual return shall be disclosed in the Board's Report. Since the amended provision is yet to be notified therefore pursuant to the provisions of Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an Extract of Annual Return as on the financial year ended on 31 March 2020, in Form No. MGT-9 is appended to the Board's Report and marked as **Annexure –II** forming part of the Annual Report.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company, being a non-banking finance Company registered with the Reserve Bank of India and engaged in the business of giving loans, is exempt from complying with the provisions of Section 186 of the Companies Act, 2013. Accordingly, the disclosures of the loans given as required under the aforesaid section have not been given in this Report.

PARTICULARS OF REMUNERATION OF MANAGERIAL PERSONNEL AND EMPLOYEES AND RELATED DISCLOSURE

Disclosures pertaining to remuneration and other details as necessitated and to the extent applicable to the Company pursuant to the provisions of the Section 197(12) Companies Act, 2013 read with Rule 5(1)

of the Companies (Appointment and Remuneration Managerial Personnel) Rules, 2014 forms part of the Board's Report and marked as **Annexure III** forming part of this Report.

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

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

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

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

PARTICULARS OF CONTRACTS & ARRANGEMENTS WITH RELATED PARTIES

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

All the Related Party Transactions entered into by the Company during the financial year were in ordinary course of business and on arm's length basis. The Related Party Transactions were usually undertaken with prior consent of the Audit Committee on quarterly basis. There have been no materially significant related party transactions between the Company and the Directors, the management, or relatives except for those disclosed in the financial statements. Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) along with the justification for entering into such contract or arrangement in Form AOC – 2 does not form part of the report.

SUBSIDIARY/JOINT VENTURE/ASSOCIATE COMPANY

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

Further during FY 2019-20, no Company has become or ceased to be subsidiary, joint venture or associate of the Company.

RISK MANAGEMENT POLICY

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

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

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

INTERNAL FINANCIAL CONTROLS AND RISK MANAGEMENT SYSTEM

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

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

CORPORATE SOCIAL RESPONSIBILITY

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

DEMATERIALISATION OF SHARES

There were 1,972,400 equity shares of the Company held by the shareholders in dematerialised form as on 31 March 2020, representing 65.74% of the total

paid-up share capital of the Company consisting of 3,000,200 equity shares of ₹10/- each. The Company's equity shares are compulsorily required to be traded in dematerialized form; therefore, members are advised to expedite the process of converting the physical shareholding into dematerialised form through their DP(s).

E-VOTING FACILITY AT AGM

In terms of Regulation 44 of SEBI Listing Regulations and in compliance with the provisions of Section 108 of the Companies Act, 2013 (the Act) read with Rule 20 and 21(1) (a) to (h) of the Companies (Management and Administration) Rules, 2014 (as amended), the items of business specified in the Notice convening the 25th Annual General Meeting of the Company may be transacted through electronic voting system and for this purpose the Company is providing e-Voting facility to its' members whose names will appear in the register of members as on the cut-off date (fixed for the purpose), for exercising their right to vote by electronic means through the e-voting platform to be provided by National Securities Depository Limited (NSDL). The detailed process and guidelines for e-voting has been provided in the notice convening the meeting.

POLICY ON PREVENTION OF SEXUAL HARASSMENT

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

The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

CORPORATE GOVERNANCE

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

LISTING ON STOCK EXCHANGE

The Company's equity shares are listed at The Calcutta Stock Exchange Limited. During the financial year, 2019-20. The Company is in regular compliance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

EVALUATION OF THE BOARD, COMMITTEE AND DIRECTORS

The Board at its meeting held on 13 August 2019, evaluated its performance and that of Committees and individual directors in the manner as recommended by the Nomination and Remuneration Committee.

MAINTENANCE OF COST RECORDS

The Company is a NBFC Company and maintenance of cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, is not applicable.

COMPLIANCE OF SECRETARIAL STANDARD

The Company has complied with applicable Secretarial Standards.

ACKNOWLEDGEMENT

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

For and on behalf of the Board

Sd/-

Bankey Lal Choudhary
Managing Director
(DIN: 00173792)

Sd/-

Anurag Choudhary
Director
(DIN: 00173934)

Place: Kolkata

Date: 15 June 2020

Annexure- I of the Board's Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

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

To,
The Members
Himadri Credit & Finance Ltd.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Himadri Credit & Finance Ltd.** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to me and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on March 31, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records made available to me and maintained by the Company for the financial year ended on March 31, 2020 according to the applicable provisions of:

- i) The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- ii) The Securities Contracts (Regulations) Act, 1956 (**'SCRA'**) and the Rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**"SEBI Act"**) to the extent applicable to the Company :-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- vi) All other statutes and laws as may be applicable specifically to the company.

I have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India.

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

I further report that:

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

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

I further report that:

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

Act, SEBI (LODR) Regulations and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers; and

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

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

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

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

This report is to be read with my letter of even date, which is annexed as Annexure – I which forms an integral part of this report.

Sd/-

RAJARSHI GHOSH

Place: Kolkata

Date: 15.06.2020

Membership: ACS-17717

Certificate of Practice: 8921

UDIN: A017717B000341502

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

Annexure - A to the Secretarial Audit Report

To,
The Members
Himadri Credit & Finance Ltd

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. Wherever required, I have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

Sd/-

RAJARSHI GHOSH

Place: Kolkata
Date: 15.06.2020

Membership: ACS-17717
Certificate of Practice: 8921
UDIN: A017717B000341502

Annexure- II of the Board's Report**Form No. MGT-9****EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31 March 2020

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

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-04-2019]				No. of Shares held at the end of the year [As on 31-03-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter(s)									
(1) Indian									
a) Individual/ HUF	1526000	-	1526000	50.86	1526000	-	1526000	50.86	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	334900	-	334900	11.16	334900	-	334900	11.16	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	1860900	-	1860900	62.02	1860900	-	1860900	62.02	-
(2) Foreign									
a) Individuals (NRIs / Resident)	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A) (1) + (A) (2)	1860900	-	1860900	62.02	1860900	-	1860900	62.02	-
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Any other	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-04-2019]				No. of Shares held at the end of the year [As on 31-03-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	12300	589200	601500	20.05	15300	589200	604500	20.15	0.10
ii) Overseas	-	-	-	-					-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	98500	439300	537800	17.93	96200	438600	534800	17.83	(0.10)
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	-	-	-	-	-	-	-	-	-
c) Any other									
Trustees	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	110800	1028500	1139300	37.98	111500	1027800	1139300	37.98	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	110800	1028500	1139300	37.98	111500	1027800	1139300	37.98	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1971700	1028500	3000200	100	1972400	1027800	3000200	100	-

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Damodar Prasad Choudhary	25500	0.85	-	25500	0.85	-	-
2	Bankey Lal Choudhary	32600	1.09	-	32600	1.09	-	-
3	Vijay Kumar Choudhary	39800	1.33	-	39800	1.33	-	-
4	Shyam Sundar Choudhary	67500	2.25	-	67500	2.25	-	-
5	Anurag Choudhary	150100	5.00	-	150100	5.00	-	-
6	Tushar Choudhary	70100	2.34	-	70100	2.34	-	-
7	Amit Choudhary	70100	2.34	-	70100	2.34	-	-
8	Saroj Devi Choudhary	90100	3.00	-	90100	3.00	-	-
9	Bankey Lal Choudhary and Others (HUF)	155600	5.18	-	155600	5.18	-	-
10	Damodar Prasad Choudhary and Others (HUF)	100000	3.33	-	100000	3.33	-	-
11	Vijay Kumar Choudhary and Others (HUF)	160000	5.33	-	160000	5.33	-	-
12	Sushila Devi Choudhary	90000	3.00	-	90000	3.00	-	-
13	Rinku Choudhary	42100	1.40	-	42100	1.40	-	-
14	Sheela Devi Choudhary	90000	3.00	-	90000	3.00	-	-
15	Swaty Choudhary	50000	1.67	-	50000	1.67	-	-
16	Shikha Choudhary	57900	1.93	-	57900	1.93	-	-
17	Kanta Devi Choudhary	92600	3.09	-	92600	3.09	-	-
18	Shyam Sundar Anurag Kumar	142000	4.73	-	142000	4.73	-	-
19	Himadri Speciality Chemical Limited	334900	11.16	-	334900	11.16	-	-
	Total	1860900	62.02	-	1860900	62.02	-	-

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

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

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

Sl. No.	Name of the Shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	APANAPAN RESIDENCY PVT LTD						
	At the beginning of the year	01/04/2019	-	135000	4.50	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-	-	-
	At the end of the year	31/03/2020	-	-	-	135000	4.50
2	SANKET MERCHANDIES PVT LTD						
	At the beginning of the year	01/04/2019	-	135000	4.50	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-	-	-
	At the end of the year	31/03/2020	-	-	-	135000	4.50
3	VIEWPOINT ADVISORY PVT LTD						
	At the beginning of the year	01/04/2019	-	134200	4.47	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-	-	-
	At the end of the year	31/03/2020	-	-	-	134200	4.47
4	AVANTIKA CONSULTANTS LLP						
	At the beginning of the year	01/04/2019	-	130100	4.34	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-	-	-
	At the end of the year	31/03/2020	-	-	-	130100	4.34
5	C M Syntex P Ltd						
	At the beginning of the year	01/04/2019	-	25000	0.83	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-	-	-
	At the end of the year	31/03/2020	-	-	-	25000	0.83
6	Dolly Interexim (P) Ltd.						
	At the beginning of the year	01/04/2019	-	20000	0.67	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-	-	-
	At the end of the year	31/03/2020	-	-	-	20000	0.67

Sl. No.	Name of the Shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
7	Babita Ribiwala						
	At the beginning of the year	01/04/2019	-	5900	0.20	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-	-	-
	At the end of the year	31/03/2020	-	-	-	5900	0.20
8	Kamal Kanti Jha						
	At the beginning of the year	01/04/2019	-	5500	0.18	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-	-	-
	At the end of the year	31/03/2020	-	-	-	5500	0.18
9	SMJ EXIMP LTD						
	At the beginning of the year	01/04/2019	-	5400	0.18	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-	-	-
	At the end of the year	31/03/2020	-	-	-	5400	0.18
10	C M SYNTAX PVT.LTD.						
	At the beginning of the year	01/04/2019	-	5000	0.17	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-	-	-
	At the end of the year	31/03/2020	-	-	-	5000	0.17

(v) Shareholding of Directors and Key Managerial Personnel:

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

V. INDEBTEDNESS

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

Amount ₹ in Lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	2,057.75	-	2,057.75
ii) Interest due but not paid	-		-	
iii) Interest accrued but not due	-	95.81	-	95.81
Total (i+ii+iii)	-	2,153.56	-	2,153.56
Change in Indebtedness during the financial year				
• Addition	-	239.89	-	239.89
• Reduction	-	39.25	-	39.25
Net Change	-	200.64	-	200.64
Indebtedness at the end of the financial year				
i) Principal Amount	-	2,325.81	-	2,325.81
ii) Interest due but not paid	-	28.39	-	28.39
iii) Interest accrued but not due	-		-	
Total (i+ii+iii)	-	2,354.20	-	2,354.20

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors – NIL****B. Remuneration to other Directors**

Amount ₹ in Lakhs

Sl. No.	Name of the Director and its Category	Fee for attending board / committee meetings	Commission	Others, please specify	Total
Independent Directors					
1	Sucharita Basu De	0.40	-	-	0.40
2	Vipin Gupta	0.07	-	-	0.07
3	Santosh Kumar Agrawala	0.42	-	-	0.42
Total (1)					0.89
Total (B)					0.89

TOTAL MANAGERIAL REMUNERATION (TOTAL A+B) = ₹ 0.89 lakhs

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

Amount ₹ in Lakhs

Sl. No.	Particulars of Remuneration	Mr. Koushik Ranjan Saha- Company Secretary & CFO
1	Gross salary	6.05
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	-
	- as % of profit	-
	Others specify...	-
5	Others, please specify	-
	Total	6.05

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences under the Companies Act, 2013 for the year ended 31 March 2020.

For and on behalf of the Board

Place: Kolkata
Date: 15 June 2020

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

Sd/-
Anurag Choudhary
Director
(DIN: 00173934)

Annexure- III of the Board's Report

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

Sl. No.	Requirements of Rule 5	Compliance															
1	The ratio of remuneration of each Director to median remuneration of employees of the Company for the financial year 2019-20;	NIL*															
2	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary in the financial year 2019-20;																
	<table> <tr> <th>Name</th><th>Designation</th><th>% increase in remuneration</th></tr> <tr> <td>Mr. Bankey Lal Choudhary</td><td>Managing Director</td><td>-</td></tr> <tr> <td>Mr. Anurag Choudhary</td><td>Non-Executive Director</td><td>-</td></tr> <tr> <td>Mr. Tushar Choudhary</td><td>Non-Executive Director</td><td>-</td></tr> <tr> <td>Mr. Koushik Ranjan Saha</td><td>Company Secretary & CFO</td><td>15%</td></tr> </table>	Name	Designation	% increase in remuneration	Mr. Bankey Lal Choudhary	Managing Director	-	Mr. Anurag Choudhary	Non-Executive Director	-	Mr. Tushar Choudhary	Non-Executive Director	-	Mr. Koushik Ranjan Saha	Company Secretary & CFO	15%	
Name	Designation	% increase in remuneration															
Mr. Bankey Lal Choudhary	Managing Director	-															
Mr. Anurag Choudhary	Non-Executive Director	-															
Mr. Tushar Choudhary	Non-Executive Director	-															
Mr. Koushik Ranjan Saha	Company Secretary & CFO	15%															
3	The percentage increase in the median remuneration of employees in the financial year 2019-20;	15.52%															
4	The number of permanent employees on the rolls of the Company as of 31 March 2020;	4															
5	Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Average percentage increase made in the salaries of employees other than the managerial personnel in FY 2019-20 was 16.10% whereas no managerial remuneration is paid during the financial year.															
6	Affirmation that the remuneration is as per the Nomination and Remuneration Policy of the Company.	The above remuneration details are as per the Nomination and Remuneration Policy of the Company.															

* No remuneration is paid to any of the Directors of the Company during the financial year 2019-20.

Annexure IV of the Board's Report

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

Names of the Top Ten Employees in terms of Remuneration Drawn

Name	Designation, Nature of Employment	Remuneration Received (₹ in Lakhs)	Qualification, Experience (yrs)	Date of commencement of employment	Age (yrs)	Last employer, Designation	Relative of any director of the Company
Mr. Koushik Ranjan Saha	Company Secretary & CFO	6.05	B.Com (Hons), Company Secretary, 7	28-05-2018	33	Himadri Dyes & Intermediates Ltd, Company Secretary	Nil
Mr. Ratan Lal Jindal	Senior Officer, Permanent	1.70	B.Com, 37	01-09-2004	60	Nil	Nil
Mr. Arup Chatterjee	Executive, Permanent	1.42	B.Com, 37	01-10-2008	58	Nil	Nil
Mr. Dhruba Das	Executive, Permanent	1.32	B.Com, 45	02-05-2015	66	Nil	Nil

Note:

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

Annexure V of the Board's Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(a) The COVID-19 pandemic and lockdown

We are amidst unprecedented times. The COVID-19 pandemic has spread across the world— leading to millions confirmed infections and deaths, enormous human suffering and a full stop on virtually all commercial and economic activities. With lockdowns spreading across countries accounting for over 50% of the world's gross domestic product (GDP), COVID-19 has caused disruptions on an unimaginable scale. Nobody really knows how long the pandemic will last; whether it will increase in the winter of 2020-21 and if so how, and what will be its final toll on lives and livelihood. With the impact of this pandemic still to play out, the scenario of eerily empty high streets, shut factories and stores, and literally millions being rendered unemployed together point to a single outcome — extreme stress for the global economy of the kind not seen since the Great Depression. The outbreak of the COVID-19 pandemic in January, 2020 brought the global economy to almost a standstill, with a high possibility of slipping into a recession. Several industries starting with travel, tourism and hospitality were immediately hit, with manufacturing and services following soon afterwards. Crude oil prices plummeted, and from January, 2020 panic sell-off resulted in wealth destruction in equity markets across advanced and emerging economies alike.

In India too, which implemented a lockdown since 25 March 2020, the pandemic has created shocks ripping through society and the world of business. The picture of millions of unemployed daily wage workers and their families trying to trudge back to their villages hundreds of kilometres away; shut factories and stores; empty construction sites; and a nation being deprived of its natural economic vigour are vignettes of this scourge. After a nationwide lockdown involving 1.35 billion people over 55 continuous days, the debate is now on how to gradually open the economy without seriously risking a major spike in infections —something that India's frail medical facility can ill cope with. The Government of India has announced lockdown 4.0 from 18 May 2020 till 31 May 2020. Containment zones in cities and metropolises continue to remain locked down and local authorities are to intensify

focus on containment zones and the so-called 'buffer zones', with some relaxations in non-containment zones. Efforts are being made to carefully open up economic activities including construction, factories, shops and stores across most parts of the country with adequate social distancing, use of masks and other stringent health protocols. Even so, returning to the pre-COVID-19 normal seems a long way away. The exit path from such a massive lockdown will be precarious with uneasy consumers, tricky health protocols and an irregular, downbeat business rhythm that will inhibit efficiency. The lockdown has resulted in a liquidity crunch, followed by a labor shortage. RBI announced three months moratorium for loans and extended it by another three months from March 2020 till August 2020 to alleviate some of the financial burden on the public.

(b) Industry Structure and Development

Non-Banking Financial Companies ("NBFCs") have played an important role in the Indian financial system by complementing and competing with banks and by bringing in efficiency and diversity into financial intermediation. NBFCs have evolved considerably in terms of operations, heterogeneity, asset quality, profitability and regulatory architecture. NBFCs play an important role in promoting inclusive growth in the country by catering to the diverse financial needs of the customers. NBFCs often take a lead role in providing innovative financial services to Micro, Small and Medium Enterprises (MSMEs) most suitable to their business requirements. NBFCs play a critical role in participating in the development of the economy by providing a fillip to transportation, employment generation, wealth creation, credit in rural segments and provide the much needed credit support to new customer segments. NBFCs have been significant contributors to the growth of the economy over the last few years and have continued to provide credit to market segments neglected by banks or when banks were unable to provide credit, given their own constraints. The NBFC sector, especially the systemically important NBFCs, is well regulated by the RBI. The prudential norms on the assets side, mirror those applicable to banks. However, on the resource raising side, there is a clear difference

between banks and NBFCs, as the former have access to savings and current accounts. Further, even within the sector, some NBFCs are advantaged as they have access to public deposits, while others do not.

(c) Economy Overview

The financial year 2019-20 began with the Lok Sabha elections in April – May and the newly formed government took a strong stance on economic development, with the aspiration to reach a \$5 trillion economy by 2024. The Economic Survey published in July 2019 with the theme of wealth creation, pro-business policies and corporate tax rate cuts of September 2019 were in line with the aspirations. At the end of August 2019, the ministry of finance announced that 10 Public Sector Banks were to be merged into 4. Meanwhile, RBI systematically reduced the repo policy rates over the course of the year, from 6.25% at the end of FY 19 to 4.40% at the end of FY 20. Despite these interventions, FY 20 showed a slowdown in growth from the previous year. India's GDP growth in FY20 continued on a downward growth trajectory which had begun in Q1 of FY19. The nation has been facing several structural stresses such as, sluggish private investment for more than six years, significant decline in savings rate for more than seven years and highest unemployment rate in the past 45 years. A broad-based consumption breakdown further accentuated the slowdown. Before the COVID-19 pandemic and lockdown, both the RBI and the Central Statistics Office (CSO) of the Government of India had revised the GDP growth rate downwards. The RBI changed its full year GDP growth estimate from an initial 7.2% to 5% in December 2019, and ascribed the tapering of growth to a tight credit market impacting fresh investments, weak capital expenditure and a slowdown in manufacturing. Before the COVID-19 pandemic and lockdown, both the RBI and the Central Statistics Office (CSO) of the Government of India had revised the GDP growth rate downwards. The RBI changed its full year GDP growth estimate from an initial 7.2% to 5% in December 2019, and ascribed the tapering of growth to a tight credit market impacting fresh investments, weak capital expenditure and a slowdown in manufacturing. The COVID-19 induced lockdown/ social distancing measures started in March 2020 and put 75% of the overall economic activity into standstill. It consequently hastened the downward trajectory of GDP growth in Q4 of FY20 to 3.1%. For FY20, India's GDP growth declined to 4.2% as compared to 6.1% in FY19. In 2019-20 was also negative for the automobile industry, with sales down in passenger vehicle by 16%,

commercial vehicles by 29% and two wheelers by 18%. Similarly, Global economic activity was also consistently slow paced and followed a downward trajectory, year over year real GDP growth was recorded at 2.9% as of Q3 of FY 2019 compared to 3.6% in the previous year.

(d) Outlook

As the pandemic has spread across the globe, the adverse impact of COVID-19 has overshadowed global macroeconomic outlook. Outlook for the current financial year continues to remain uncertain, with the COVID-19 situation evolving each day. Several multilateral agencies have projected recession for the global economy in the calendar year 2020 with the IMF (International Monetary Fund) warning of the worst global recession in almost a century. The RBI estimates real GDP growth of India to remain in negative territory in FY21. Rating agencies and economic think-tanks have significantly reduced India's growth projections for FY21 to -2% to -5% on the back of extended lockdown, factory shutdowns, supply chain disruptions, travel restrictions, reduced discretionary spending and recessionary outlook for the global economy. To avert steeper decline in economic growth, major countries have used a mix of monetary and fiscal tools to ensure liquidity and credit flow to their economies. In India, while the RBI has been doing the heavy lifting, various policy measures announced by the Government in its Economic Package are perceived to be more useful in the medium to long term. The nature of lockdown observed in India is amongst the strictest in the world, considering the domestic policy space to control its negative impact is limited. The consequent steeper decline in economic activities could adversely affect credit intermediaries and financial markets. Moreover, the broad-based economic slowdown will put pressure on the asset quality of lenders. Outlook on inflation remains subdued during FY21 due to adequate buffer stocks in cereals, good rabi harvest, record decline in global commodity prices including the crude oil prices, reduced pricing power of firms due to demand contraction and expectations of normal monsoon rains in FY21. Apart from agriculture and related activities, most other sectors of the economy have been adversely impacted by the pandemic and are expected to show de-growth. India's GDP growth for FY 21 is now projected to reduce significantly as compared to pre-COVID projections of around 5%. If COVID-19 is prolonged and supply chain disruptions get accentuated, the global slowdown could deepen, with adverse implications for India. The fall of international crude prices could, however, provide some relief in the

form of trade gains. In addition, the government and RBI have been taking steps to mitigate the economic impact of the pandemic through stimulus packages, cuts to repo and reverse repo rates, liquidity infusion through Targeted Long Term Repo Operations (TLTROs), and loosened the liquidity criteria for banks and NBFCs.

Having said this, the outlook for the coming year is expected to be extremely demanding. In the current situation, lending businesses face four daunting challenges of (i) disruption in business acquisition, (ii) providing customers adequate relief on their debt servicing obligations, (iii) dealing with a weakened customer service and debt recovery infrastructure, and (iv) continuing to service their own debt. To overcome the COVID-19 crisis, Governments across the world will look to the financial sector to help revive their economies. Sharp decline in government revenue receipts due to the extended lockdown and growth slowdown coupled with rising need for fiscal support will throw a spanner in the works of both Union and State Government finances. The combined fiscal deficit of the Union and State Governments may reach 12% of GDP in FY21. This can raise the risks of a subsequent ratings outlook downgrade, given the mix of low growth and rising deficit.

(e) Opportunities and Threats

Opportunities:

To overcome the COVID-19 crisis, Governments across the world will look to the financial sector to help revive their economies. The NBFCs can capitalise on the opportunities that will emerge in what will possibly be a totally new business. Business opportunities for finance companies are enormous as the new areas and segments are being explored. A larger segment of customers remain un-served by Banks and large sized Finance Companies. Your Company on its part is also well poised to seize new opportunities as they come. A rural middle income boom has led to rise in rural incomes. This has been fuelled by increased support prices and welfare schemes initiated by the Government. Per capita Gross Domestic Product has grown faster in India's rural areas than in its urban centers. New opportunities like home equity, personal finance, and a foray into factoring and bill payment for the rural hard-to-reach customer may take the Company to new scales of success.

Threats:

Phasing out of lockdown/social distancing measures at a slower pace coupled with relatively tepid policy

response could result in deeper recession in FY21 as compared to all 'recessions' India has ever experienced. Such deep recession will increase the perception of credit risk and the consequent risk aversion could clog the credit channels. Rating agencies expect microfinance, unsecured loans and MSME borrowers (including the loans against property segment) will continue to be severely impacted for a prolonged period due to weak credit profile of borrowers amid a gradual economic recovery.

The major threat being faced by finance companies are regulatory changes, interest rates hiked by RBI, high inflation etc. The Company is also facing stiff competition from banks / financial institutions due to their ability to raise low cost funds which enables them to provide funds at much cheaper rate. Higher cost of funds might lead to reduced bottom line for the Company. Also, a lesser interest spread, or higher cost of lending might lead to customers turning away to cheaper source of funds. Asset quality deterioration may not only wipe the profits out of the Company but eat into its net worth. The Company must ensure it maintains minimal delinquency levels.

(f) Segment-wise performance

The Company is into single reportable segment only.

(g) Risks and Concerns

As a NBFC, your Company's growth and profitability are dependent on the functioning of Capital Markets. The Company is exposed to several market risks like credit risk, liquidity risk and interest rate risk. The volatility of the capital markets in which your Company operates is also a major cause of concern to the Company. Risk is managed by using a set of credit norms and policies, as approved by the Board. The Board of Directors of the Company oversees the risk management process which includes the risk assessment and procuring the measures to curb the risk. The Board of Directors are responsible for implementation of risk measures. They ensure that the both external risk and internal risk are involved in the business of the Company External risk due to interest rate fluctuation, slowdown in economic growth rate, political instability, market volatility, etc. Internal risk is associated with your Company's business which includes deployment of funds in specific projects, diversification into other business operations, managing effective growth rate, volatility in interest rate, changes in compliance norms and regulations, contingent liabilities and other legal proceedings. The Board of your Company ensure that

they regularly assessed at a periodic interlude and proper vigilance is placed. Credit risk is considered to be major risk being faced by NBFCs. In your Company the credit risk is minimum, as major investments are made in Company's group companies. Your Company has evolved various policies and systems for credit risk to closely monitor the same. Your Company also follows provisioning norms of RBI.

(h) Internal Control System & their Adequacy

The Audit Committee of the Board of Directors of the Company closely monitors the adequacy of the Internal Financial Control system in close co-ordination and support of the in-house Internal Audit Team who periodically submits its findings on the efficacy and adequacy of their internal control system, its compliance with the company's operating system and Accounting Standards and policies. Based on the report of the in-house Audit Team, their findings and submissions of the Audit Committee have elaborate discussions and do make recommendations to the senior management to undertake corrective measures wherever necessary to strengthen the control of the Company. The subject process of the Internal Financial Control is a continuous one and in due compliance with the provisions of the Companies Act, 2013. During the FY 2019-20 there had been no reportable weakness in the design or operation as observed.

(i) Governance requirements

The Compliance Officer ensures compliance with the SEBI Listing Regulations and provisions of the Companies Act, 2013. All NBFCs were required to

comply with governance requirements, such as the Fair Practices Code (FPC).

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

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

(k) Acknowledgement

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

Cautionary Statement

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HIMADRI CREDIT & FINANCE LIMITED

Report on the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **Himadri Credit & Finance Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, and its profit, total comprehensive income, its cash flows and the statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further

described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS Financial Statements.

Key Audit Matters	How our audit addressed the key audit matter
(a) Transition to Ind AS accounting framework (as described in note 6 of the Ind AS financial statements)	
In accordance with the roadmap for implementation of Ind AS for non-banking financial companies, as announced by the Ministry of Corporate Affairs, the Company has adopted Ind AS from April 1, 2019 with an effective date of April 1, 2018 for such transition. For periods up to and including the year ended March 31, 2019, the Company had prepared and presented its financial statements in accordance with the erstwhile generally accepted accounting principles in India	<ul style="list-style-type: none"> • Our audit procedures regarding the 1st time adoption of Ind AS included assessing the judgements applied by the Management in this regard: • Evaluating management's transition date choices for compliance/ acceptability under Ind AS 101. • Understanding the Ind AS impact assessment performed by the management to identify areas which were impacted on account of Ind AS transition;

<p>(Previous GAAP). In order to give effect of the transition to Ind AS, these financial statements for the year ended March 31, 2020, together with the comparative financial information for the previous year ended March 31, 2019 and the transition date balance sheet as at April 1, 2018 have been prepared under Ind AS.</p> <p>The transition to Ind AS has involved changes in the Company's policies and processes relating to financial reporting. Further, the management has also exercised judgement (wherever applicable) in giving effect to various principles of Ind AS in its first-time adoption. In view of the complexity and the resultant risk of a material misstatement arising from an error or omission in correctly implementing the principles of Ind AS at the transition date, which could result in a misstatement of one or more periods presented in these Ind AS financial statements, this has been an area of significance in our audit.</p>	<ul style="list-style-type: none"> • Understanding the financial statement closure process and the controls established by the Company for transition to Ind AS; • Reading and assessing the changes made to the accounting policies due to the requirements of the new financial reporting framework; • Testing accounting adjustments posted as at the transition date, and in respect of the previous year to convert the financial information reported under erstwhile Indian GAAP to Ind AS.
(b) Future Performance of the Company (Impact of COVID-19 pandemic on the future financial performance and position of the Company)	
<p>The extent to which the COVID-19 pandemic will impact the Company's financial performance and position will depend on future developments, which are highly uncertain.</p>	<p>Our audit procedures considered the guidance laid down by the 'ICAI Accounting & Auditing Advisory March 2020 - Impact of Corona virus on Financial Reporting and the Auditors Consideration' highlighting few important areas which require particular attention in respect of the audit of the financial statements for the year 2019-20 including:</p> <ul style="list-style-type: none"> • Impairment of Non-financial Assets; • Impairment Losses (ECL, Bad-debts etc.); • Going Concern Assessment; • Post Balance Sheet Events; • Presentation of Financial Statements; • Changes in Internal Controls; • External Confirmations; • Audit evidences through electronic mode; <p>We considered the above guidance and appropriately applied to our response to modification of our audit procedures to obtain sufficient appropriate audit evidence on the significant audit areas and reached appropriate conclusions thereon.</p>
(c) Classification and measurement of Financial assets - Business model assessment	
<p>Ind AS 109, Financial Instruments, contains three principal measurement categories for financial assets i.e. :</p> <ul style="list-style-type: none"> • Amortised cost; • Fair Value through Other Comprehensive Income ('FVTOCI'); and 	<p>Our key audit procedures included:</p> <p>Design / controls</p> <ul style="list-style-type: none"> • Assessed the design, implementation and operating effectiveness of key internal controls over management's intent of purchasing a financial asset and the approval mechanism for such stated intent

<ul style="list-style-type: none"> • Fair Value through Profit and Loss ('FVTPL') <p>A financial asset is classified into a measurement category at inception and is reclassified only in rare circumstances. The assessment as to how an asset should be classified is made on the basis of both the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset. The term 'business model' refers to the way in which the Company manages its financial assets in order to generate cash flows. That is, the Company's business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets or both.</p> <p>Amortised cost classification and measurement category is met if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.</p> <p>FVTOCI classification and measurement category is met if the financial asset is held in a business model in which assets are managed both in order to collect contractual cash flows and for sale. Such financial assets are subsequently measured at fair value, with changes in fair value recognized in other comprehensive income.</p> <p>FVTPL classification and measurement category is met if the financial asset does not meet the criteria for classification and measurement at amortised cost or at FVTOCI. Such financial assets are subsequently measured at fair value, with changes in fair value recognized in profit or loss.</p> <p>We identified business model assessment as a key audit matter because of the management judgement involved in determining the intent for purchasing and holding a financial asset which could lead to different classification and measurement outcomes of the financial assets and its significance to the financial statements of the Company.</p>	<p>and classification of such financial assets on the basis of management's intent (business model).</p> <ul style="list-style-type: none"> • For financial assets classified at amortised cost, we tested controls over the classification of such assets and subsequent measurement of assets at amortised cost. Further, we tested key internal controls over monitoring of such financial assets to check whether there have been any subsequent sales of financial assets classified at amortised cost. <p>Substantive tests</p> <ul style="list-style-type: none"> • Test of details over of classification and measurement of financial assets in accordance with management's intent (business model). • We reviewed the financial assets to test whether their classification as at the balance sheet date is in accordance with management's intent. • We reviewed the financial assets sold during the year to check whether there have been any sales of financial assets classified at amortised cost. <p>We have also checked that there have been no reclassifications of assets in the current period.</p>
<p>(d) Valuation of investment securities</p> <p>The Company's investment portfolio makes up a significant amount of the Company's statement of financial position and is considered to be the key driver of the Company's performance. The Company's investment portfolio is comprised of both quoted and unquoted investments.</p> <p>Investments are measured at fair value, which is established in accordance with guidance set out in the applicable accounting framework adopted by the Company. We do not consider these investments to be at high risk of significant misstatement, these investments are valued using non-complex models. However, due to their materiality in the context of the financial statements as a whole, they are considered to be of most significance in the audit of the financial statements.</p>	<p>Our audit procedures over the valuation of the Company's investment portfolio included but are not limited to obtaining and documenting our understanding of the valuation process and performing an assessment of the levelling classification as per Ind AS.</p>

Information Other than the Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board Report including Annexures to Board's Report, but does not include the Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Ind AS Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, the statement of changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) and accounting principles generally accepted in India, specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statement that give a true and

fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of Ind AS Financial Statement

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing (SAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

A further description of the auditor's responsibilities for the audit of the Ind AS financial statements is included in "Annexure A". This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by

this Report are in agreement with the books of account.

- d. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e. On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**". Our audit expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g. With respect to other matters to be included in the Auditor's Report in accordance with section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, no remuneration has been paid by the Company to its directors during the year.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and

Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 30 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure C**", a statement on the matters specified in the paragraph 3 and 4 of the Order.

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

Sd/-
CA Vivek Newatia
Partner
Membership No. 062636
Date: The 15th day of June, 2020
Place: Kolkata
UDIN: 20062636AAAACQ3692

Annexure 'A' to the Independent Auditors' Report

(Referred to in our report of even date)

Responsibilities for the Audit of Ind AS Financial Statement

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

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

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

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

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

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

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

Sd/-
CA Vivek Newatia
Partner
Membership No. 062636
Date: The 15th day of June, 2020
Place: Kolkata
UDIN: 20062636AAAACQ3692

Annexure 'B' to the Independent Auditors' Report

(Referred to in our report of even date)

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

Opinion

We have audited the internal financial controls over financial reporting of Himadri Credit & Finance Limited ("the Company") as of 31st March 2020, in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards

on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally

accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and

- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial

controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Sd/-
CA Vivek Newatia
Partner
Membership No. 062636
Date: The 15th day of June, 2020
Place: Kolkata
UDIN: 20062636AAAACQ3692

Annexure 'C' to the Independent Auditors' Report

(Referred to in our report of even date)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management at regular intervals during the year and no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets.
- (c) The Company does not hold any immovable properties during the year, hence this clause is not applicable.
- ii. The Company does not have any inventory and hence reporting under clause 3(ii) of the order is not applicable.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Hence, the requirement of 3(iii) of the Order is not applicable to the Company.
- iv. The Company is a registered non-banking finance company to which the provisions of Section 185 are not applicable. The Company has complied with the provisions of Section 186 of the Companies Act, 2013 to the extent applicable.
- v. According to the information and explanations given to us the Company has not accepted any public deposits under Sections 73 to 76 of the Companies Act, 2013 and the rules framed thereunder. Accordingly, clause 3(v) of the Order is not applicable to the Company.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- vii. According to information and explanation given to us and based on our examination of the records of the Company, in respect of statutory dues:
 - (a) Amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including income tax and other material statutory dues have been regularly deposited by the Company with the appropriate authorities. As explained to us there are no undisputed amounts payable as at 31 March, 2020 for a period of more than six months from the date they became payable.
 - (b) There are no dues of income tax which have not been deposited with the appropriate authorities on account of any disputes, except as mentioned below:

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	19,68,811	A.Y. 2011-12 to 2017-18	Commissioner of Income Tax (Appeals)

- viii. The Company has not taken any financial assistance from any bank or financial institution or government or debenture holders. Thus, clause 3(viii) of the Order is not applicable to the Company.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, provisions of clause 3(ix) of the Order is not applicable to the Company.
- x. During the course of examination of the books and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not paid/ provided for managerial remuneration during the year under report. Hence, clause 3(xi) of the Order is not applicable.
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company as per Section 406 of the Companies Act 2013. Accordingly, clause 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable Indian accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Hence, clause 3 (xiv) of the Order is not applicable.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into non-cash transactions with directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi. The Company is required to and has been registered under Section 45-IA of the Reserve Bank of India Act 1934.

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

Sd/-
CA Vivek Newatia
Partner
Membership No. 062636
Date: The 15th day of June, 2020
Place: Kolkata
UDIN: 20062636AAAACQ3692

Balance Sheet as at 31st March, 2020

(Amount in ₹)

Particulars	Note	As at 31 st March, 2020	As at 31 st March, 2019	As at 1 st April, 2018
I. ASSETS				
1) Financial Assets				
(a) Cash and cash equivalents	7	2,415,205	854,647	722,531
(b) Loans	8	174,872,684	162,811,194	138,450,862
(c) Investments	9	413,399,676	1,227,003,147	1,763,603,625
(d) Other financial assets	10	35,090	54,090	76,090
Sub-Total Financial Assets		590,722,655	1,390,723,078	1,902,853,108
2) Non-Financial Assets				
(a) Current tax assets (net)	11	2,041,442	558,791	232,138
(b) Property, plant and equipment	12	20,148	20,148	20,148
Sub-Total Non Financial Assets		2,061,590	578,939	252,286
TOTAL ASSETS		592,784,245	1,391,302,017	1,903,105,394
II. LIABILITIES AND EQUITY				
1) Financial Liabilities				
(a) Payables				
(I) Trade payables	13			
- Total outstanding dues of micro enterprises and small enterprises		-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		122,923	86,400	81,000
(II) Other payables	13			
- Total outstanding dues of micro enterprises and small enterprises		-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
(b) Borrowings (other than debt securities)	14	232,581,124	205,774,691	191,704,500
(c) Other financial liabilities	15	2,839,374	9,656,600	5,425,985
Sub-Total Financial Liabilities		235,543,421	215,517,691	197,211,485
2) Non Financial Liabilities				
(a) Provisions	16	15,788	11,673	35,420
(b) Deferred tax liabilities (net)	17	13,348,090	9,908,400	64,129,225
(c) Other non financial liabilities	18	325,468	289,417	363,018
Sub-Total Non Financial Liabilities		13,689,346	10,209,490	64,527,663
3) Equity				
(a) Equity share capital	19	30,002,000	30,002,000	30,002,000
(b) Other equity	20	313,549,478	1,135,572,836	1,611,364,246
Sub-Total Equity		343,551,478	1,165,574,836	1,641,366,246
TOTAL EQUITY AND LIABILITIES		592,784,245	1,391,302,017	1,903,105,394
Significant accounting policies	3			

See accompanying notes to the financial statements

As per our report of even date attached

For S. Jaykishan

Chartered Accountants

Firm's Registration Number : 309005E

Sd/-

CA VIVEK NEWATIA

Partner

Membership No.062636

Place : Kolkata

Date: The 15th day of June, 2020

UDIN: 20062636AAAACQ3692

For and on behalf of the Board of Directors

Sd/-

BANKEY LAL CHOUDHARY

Managing Director

(DIN: 00173792)

Sd/-

ANURAG CHOUDHARY

Director

(DIN: 00173934)

Sd/-

KOUSHIK RANJAN SAHA

CFO & Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2020

(Amount in ₹)

Particulars	Note No.	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
I. Revenue from operations			
Interest income	21	14,052,042	11,665,988
Dividend income	22	1,423,050	971,200
Net gain on fair value changes	23	143,894	-
II. Total revenue		15,618,986	12,637,188
III. Expenses			
Finance costs	24	12,380,538	10,681,186
Net loss on fair value changes	23	-	3,256,725
Impairment of financial instruments (Expected credit loss)	25	30,229	69,948
Employees benefits expense	26	1,068,885	1,732,123
Other expenses	27	642,724	626,700
Total expenses		14,122,376	16,366,682
IV. Profit / (Loss) before tax (III - IV)		1,496,610	(3,729,494)
V. Tax expense	29		
Current tax		30,500	1,369,292
Deferred tax		951,483	(3,229,188)
Income tax for earlier year		2,413	8,428
VI. Profit / (Loss) for the year (V - VI)		512,214	(1,878,026)
VII. Other comprehensive income			
A. (i) Items that will not be reclassified to profit or loss		(819,942,364)	(524,999,769)
(ii) Income taxes on items that will not be reclassified to profit or loss		(2,488,208)	51,086,385
B. (i) Items that will be reclassified to profit or loss		-	-
(ii) Income taxes on items that will be reclassified to profit or loss		-	-
Total other comprehensive income, net of taxes (A+B)		(822,430,572)	(473,913,384)
VIII. Total comprehensive income for the period (VI + VII) (Comprising profit (loss) and other comprehensive income for the period)		(821,918,358)	(475,791,410)
IX. Earnings per equity share (of ₹10/- each):	28		
Basic		0.17	(0.63)
Diluted		0.17	(0.63)
Significant Accounting Policies	3		

See accompanying notes to the financial statements

As per our report of even date attached

For S. Jaykishan

Chartered Accountants

Firm's Registration Number : 309005E

Sd/-

CA VIVEK NEWATIA

Partner

Membership No.062636

Place : Kolkata

Date: The 15th day of June, 2020

UDIN: 20062636AAAACQ3692

For and on behalf of the Board of Directors

Sd/-

BANKEY LAL CHOUDHARY

Managing Director

(DIN: 00173792)

Sd/-

ANURAG CHOUDHARY

Director

(DIN: 00173934)

Sd/-

KOUSHIK RANJAN SAHA

CFO & Company Secretary

Cash Flow Statement for the year ended 31st March, 2020

(Amount in ₹)

Particulars	Year Ended 31 st March, 2020	Year Ended 31 st March, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax & Extra-Ordinary Items	1,496,610	(3,729,494)
Adjustments for :		
Finance Cost	12,380,538	10,681,186
Interest Income	(14,052,042)	(11,665,988)
Dividend Received	(1,423,050)	(971,200)
Balance written off	19,000	-
Investments valued through FVTPL	(143,894)	3,256,725
Operating Profit before Working Capital Changes	(1,722,838)	(2,428,771)
Adjustments for change in:		
Other financial and non financial assets	-	22,000
Provisions	4,115	46,201
Loans and Advances	(12,061,490)	(24,430,280)
Trade Payables, other financial and non financial liabilities	(9,584,026)	(5,418,548)
Purchase of investments	(12,000,000)	(5,875,000)
Proceeds from sale of investment	5,700,000	14,218,985
Cash Generated from Operations	(29,664,239)	(23,865,413)
Interest Paid	(9,541,164)	(1,100,224)
Interest Received	14,052,042	11,665,988
Dividend Received	1,423,050	971,200
Direct Taxes refund/paid	(1,515,564)	(1,609,626)
Net Cash Inflow from Operating Activities	(25,245,875)	(13,938,075)
B. CASH FLOW FROM INVESTING ACTIVITIES		
	-	-
	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Borrowings	26,806,433	14,070,191
	26,806,433	14,070,191
Net Increase in Cash/Cash Equivalents	1,560,558	132,116
Cash/Cash Equivalents at the beginning of the year	854,647	722,531
Cash/Cash Equivalents at the end of the year	2,415,205	854,647

See accompanying notes to the financial statements

The above Standalone Statement of cash flow has been prepared under the indirect method set out in Ind-AS 7 - Statement of Cash Flow.

As per our report of even date attached

For S. Jaykishan

Chartered Accountants

Firm's Registration Number : 309005E

Sd/-

CA VIVEK NEWATIA

Partner

Membership No.062636

Place : Kolkata

Date: The 15th day of June, 2020

UDIN: 20062636AAAACQ3692

For and on behalf of the Board of Directors

Sd/-

BANKEY LAL CHOUDHARY

Managing Director

(DIN: 00173792)

Sd/-

ANURAG CHOUDHARY

Director

(DIN: 00173934)

Sd/-

KOUSHIK RANJAN SAHA

CFO & Company Secretary

Statement of Changes in Equity for the year ended 31st March, 2020

A. Equity share capital

(Amount in ₹)

Particulars	Numbers	Amount
Balance as at 1 April 2018	3,000,200	30,002,000
Changes in equity share capital during 2018-19	-	-
Balance as at 31 March 2019	3,000,200	30,002,000
Changes in equity share capital during 2019-20	-	-
Balance as at 31 March 2020	3,000,200	30,002,000

B. Other equity

(Amount in ₹)

Particulars	Reserves and Surplus		Equity instruments through other comprehensive income	Total
	Retained earnings	Reserve fund u/s 45-IC (1) of Reserve Bank of India Act, 1934		
Balance as at 1 April 2018	45,708,046	6,863,226	1,558,792,974	1,611,364,246
Profit /(Loss) for the year (net of tax)	(1,878,026)	-	-	(1,878,026)
Other comprehensive income (net of tax)	-	-	(473,913,384)	(473,913,384)
Total comprehensive income for the year	43,830,020	6,863,226	1,084,879,590	1,135,572,836
Transfer to reserve fund in terms of section 45-IC(1) of Reserve Bank of India Act, 1934	(1,208,700)	1,208,700	-	-
Balance as at 31 March 2019	42,621,320	8,071,926	1,084,879,590	1,135,572,836
Profit /(Loss) for the year (net of tax)	512,214	-	-	512,214
Inter-se adjustments	(105,000)	-	105,000	-
Other Comprehensive Income (net of tax)	-	-	(822,535,572)	(822,535,572)
Total comprehensive income for the year	43,028,534	8,071,926	262,449,018	313,549,478
Transfer to reserve fund in terms of section 45-IC(1) of Reserve Bank of India Act, 1934	(102,500)	102,500	-	-
Balance as at 31 March 2020	42,926,034	8,174,426	262,449,018	313,549,478

As required by section 45-IC of the RBI Act 1934, the Company maintains a reserve fund and transfers there in a sum not less than twenty per cent of its net profit every year as disclosed in the statement of profit and loss and before any dividend is declared. The Company cannot appropriate any sum from the reserve fund except for the purpose specified by Reserve Bank of India from time to time. Till date RBI has not specified any purpose for appropriation of Reserve fund maintained under section 45-IC of RBI Act, 1934.

See accompanying notes to the financial statements

As per our report of even date attached

For S. Jaykishan

Chartered Accountants

Firm's Registration Number : 309005E

Sd/-

CA VIVEK NEWATIA

Partner

Membership No.062636

Place : Kolkata

Date: The 15th day of June, 2020

UDIN: 20062636AAAACQ3692

For and on behalf of the Board of Directors

Sd/-

BANKEY LAL CHOUDHARY

Managing Director

(DIN: 00173792)

Sd/-

ANURAG CHOUDHARY

Director

(DIN: 00173934)

Sd/-

KOUSHIK RANJAN SAHA

CFO & Company Secretary

Notes to Financial Statements for the year ended 31st March 2020

1. Company overview

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

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

2. Basis of preparation of financial statements

a) Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('Act') (to the extent notified). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Company has adopted all the Ind AS standards and adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP) which was the previous GAAP. Reconciliations and descriptions of the effect of transaction has been summarised in Notes.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing standard requires a change in the accounting policy hitherto in use.

b) Presentation of financial statements

The Balance Sheet, the Statement of Changes in Equity and the Statement of Profit and Loss are presented in the format prescribed under Division III of Schedule III of the Act, as amended from

time to time, for Non-Banking Financial Companies ('NBFCs') that are required to comply with Ind-AS. The Statement of Cash Flows has been presented as per the requirements of Ind-AS 7 Statement of Cash Flows.

c) Functional and presentation currency

The financial statements are presented in Indian Rupees ('₹') which is Company's presentation currency. The functional currency of the Company is also Rupees.

d) Use of judgments and estimates

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and appropriate assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities) and disclosures as at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from these estimates. Accounting estimates and underlying assumptions are reviewed on an ongoing basis. Appropriate changes in estimates are recognised in the periods in which the management of the Company becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

3. Significant accounting policies

a) Financial instruments

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

Date of recognition

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Initial measurement

Recognised financial instruments are initially measured at transaction price, which equates fair value. Transaction costs that are directly attributable

Notes to Financial Statements for the year ended 31st March 2020 (Contd.)

to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the statement of profit and loss.

Subsequent measurement

i. Financial assets

Based on the business model, the contractual characteristics of the financial assets and specific elections where appropriate, the Company classifies and measures financial assets in the following categories:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)

(a) Financial assets at amortised cost

Financial assets are measured at amortised cost using the effective interest rate (EIR), if both the following conditions are met and is not designated at FVTPL:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The EIR amortisation is included in finance income in the profit or loss. Interest income and impairment expenses are recognised in statement of profit and loss. Interest income from these financial assets is included in finance income using the EIR method. Any gain and loss on derecognition is also recognised in statement of profit and loss.

The EIR method is a method of calculating the amortised cost of a financial instrument and of allocating interest over the relevant period. The EIR is the rate that exactly discounts estimated future

cash flows (including all fees paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Company records loans at amortised cost.

(b) Financial assets at FVTOCI

Financial assets that are held within a business model whose objective is both to collect the contractual cash flows and to sell the assets, ('Contractual cash flows of assets collected through hold and sell model') and contractual cash flows that are SPPI, are subsequently measured at FVTOCI. Movements in the carrying amount of such financial assets are recognised in Other Comprehensive Income ('OCI'), except dividend income which is recognised in statement of profit and loss. Amounts recorded in OCI are not subsequently transferred to the statement of profit and loss. Equity instruments at FVTOCI are not subject to an impairment assessment.

(c) Financial assets at FVTPL

Financial assets which do not meet the criteria for categorisation as at amortised cost or as FVOCI, are measured at FVTPL. Subsequent changes in fair value are recognised in the statement of profit and loss. The Company records investments in equity instruments and mutual funds at FVTPL.

ii. Financial liabilities

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

For purposes of subsequent measurement, financial liabilities are classified in following categories:

- Financial liabilities through profit or loss (FVTPL)
- Financial liabilities at amortised cost

(a) Financial liabilities through FVTPL

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on such instruments are recognised in the profit or loss.

Notes to Financial Statements for the year ended 31st March 2020 (Contd.)

(b) Financial liabilities at amortised cost

Interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Reclassification

The Company determines classification of financial assets and liabilities on initial recognition.

After initial recognition, no reclassification is made for financial assets which are categorised as equity instruments at FVTOCI and financial assets or liabilities that are specifically designated at FVTPL. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be very infrequent. The management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest. Financial liabilities are not reclassified.

Derecognition

i. Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The contractual rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full

without material delay to a third party under a 'pass-through' arrangement and either

- the Company has transferred substantially all the risks and rewards of the asset, or
- the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in statement of profit and loss.

ii. Financial liabilities and equity instruments

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Notes to Financial Statements for the year ended 31st March 2020 (Contd.)

A financial instrument is an equity instrument rather than a financial liability, if, and only if, both conditions (a) and (b) below are met.

- (a) The instrument includes no contractual obligation: to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the issuer.
- (b) If the instrument will or may be settled in the issuer's own equity instruments, it is:
 - a non-derivative that includes no contractual obligation for the issuer to deliver a variable number of its own equity instruments; or a derivative that will be settled only by the issuer exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to life time ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at life time ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit or loss.

Write offs

The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no reasonable expectation of recovering the asset in its entirety or a portion thereof. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written-off could still be subject to enforcement activities under the Company's recovery procedures, taking into account

legal advice where appropriate. Any recoveries made are recognised in statement of profit and loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

b) Cash and cash equivalents

Cash and cash equivalents includes cash at banks and on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Statement of cash flows

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

c) Property, plant and equipment

Recognition and measurement

Tangible property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. The cost of property, plant and equipment comprise purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Advances paid towards acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-financial assets and cost of assets not put to use before such date are disclosed under Capital work-in-progress.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits

Notes to Financial Statements for the year ended 31st March 2020 (Contd.)

associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

Depreciation

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

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

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

d) Impairment of non-financial assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired due to events or changes in circumstances indicating that their carrying amounts may not be realised. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit ('CGU'). If such recoverable amount of the asset or the recoverable amount of the CGU to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the revised recoverable amount, subject to maximum of the depreciated historical cost.

e) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

f) Dividend

Provision is made for the amount of any dividend

declared on or before the end of the reporting period but not distributed at the end of the reporting period, being appropriately authorised and no longer at the discretion of the Company. The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

g) Revenue recognition

Interest income

Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The EIR is the rate that exactly discounts estimated future cash flows of the financial asset through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial asset after netting off the fees received and cost incurred approximates the effective interest rate of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument. The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for ECLs).

Other financial charges

Cheque bouncing charges, late payment charges, prepayment charges and application money are recognised on a point-in-time basis, and are recorded when realised since the probability of collecting such monies is established when the customer pays.

Dividend Income

Dividend on equity shares, preference shares and on mutual fund units is recognised as income when the right to receive the dividend is established.

h) Borrowing costs

Borrowing costs are interest and other costs incurred by the Company in connection with the borrowing

Notes to Financial Statements for the year ended 31st March 2020 (Contd.)

of funds. Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are recognised as an expense at the effective interest rate and include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. Where there is an unrealised exchange loss which is treated as an adjustment to interest and subsequently there is a realised or unrealised gain in respect of the settlement or translation of the same borrowing, the gain to the extent of the loss previously recognised as an adjustment is recognised as an adjustment to interest.

i) Employee benefits

The undiscounted amount of short term employees benefits such as salaries, bonus and ex-gratia expected to be paid in exchange for the services rendered by the employees are recognised as an expense during the period when the employees render the services. Leave Encashment is accounted for based on estimates.

j) Provisions and Contingencies

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Provision for Standard Assets is made on the outstanding amount of Standard Assets for all types of lending, in accordance with the minimum provisioning requirements specified by the RBI.

In cases where the available information indicates that the loss on the contingency is reasonably

possible but the amount of loss cannot be reasonably estimated, a disclosure is made in the financial statements. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that may arise from past events but probably will not require an outflow of resources to settle the obligation.

k) Income tax

Tax expense recognised in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent that the tax relates to the items that are not recognised directly in Other Comprehensive Income (OCI) or directly in equity in which case the related tax is recognised either directly in OCI or equity accordingly.

Current tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income-tax Act. Current income tax relating to items recognised outside Statement of Profit and Loss is recognised either in OCI or in equity. The Company offsets current tax assets and current tax liabilities when the legally enforceable right to offset exists and they are intended to be settled net or realised simultaneously.

Deferred tax

Deferred income taxes are calculated using the liability method. Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits (MAT Credit entitlement) or deductible temporary difference will be utilised against future taxable income. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Notes to Financial Statements for the year ended 31st March 2020 (Contd.)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside Statement of Profit and Loss is recognised either in OCI or in equity.

The Company offsets deferred income tax assets and liabilities when the legally enforceable right to offset current tax assets and liabilities exists and they are intended to be settled or realised simultaneously.

l) Earnings per share

The Company reports basic and diluted earnings per equity 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.

m) Segment reporting

The Company is mainly engaged in the investing and finance business and all other activities revolve around the main business of the Company. Further, all activities are conducted within India and as such there is no separate reportable segment, as per the Ind AS 108 - "Operating Segments" specified under Section 133 of the Act.

4. Critical accounting estimates and judgements

In the process of applying the Company's accounting policies, management has made the following estimates and judgements, which have a significant impact on the carrying amounts of assets and liabilities at each balance sheet date.

a) Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The 'severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)', generally known as COVID-19, which was declared as a global pandemic by World Health Organisation on 11 March 2020, continues to

spread across globe and in India. Globally countries and businesses are under lockdown. On 24 March 2020, the Government of India announced a 21 days lockdown initially, which was extended time and again. There is high level of uncertainty about the duration of the conditions and the time required to return to normalcy. The extent to which COVID-19 pandemic will impact the Company's provision on assets is dependent on the future developments which are highly uncertain. The impact of the global health pandemic may be different from that estimated at the date of approval of these standalone financial results and the Company will continue to closely monitor any material changes to future economic conditions.

b) Fair value of financial instruments

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The Company has established control framework with respect to the measurement of fair values.

Depending on the inputs used for determining fair value, financial instruments valued at fair value has been categorized into a three-level hierarchy as presented below:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability falls into different level of hierarchy, then the fair value measurement is categorized in its entirety in the same level of fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

For the purposes of fair value disclosures, the Company has determined classes of assets and

Notes to Financial Statements for the year ended 31st March 2020 (Contd.)

liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

c) Expected credit loss

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and credit assessment and including forward looking information.

d) Effective interest rate

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected behavioural life of the financial asset to the gross carrying amount of the financial asset.

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges) as well expected changes to the base rate and other transaction costs and fees paid or received that are integral parts of the instrument.

e) Business model assessment

Classification and measurement of financial assets depends on the results of the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

f) Provisions and other contingent liabilities

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

5. Recent Accounting Developments

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

6. First time adoption of Ind AS

A. The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 3 above have been applied in preparing the financial statements for the year ended 31 March, 2020 and the comparative information. An explanation to how the transition from previous IGAAP to Ind AS has affected the Company's Balance Sheet and Statement of Profit and Loss, is set out in Notes to financial statements.

Ind AS 101 allows first time adoption certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly availed the following optional exemption while preparing the financial statement:

- Business combinations prior to the Ind AS transition date of April 1, 2018 are recorded using previous IGAAP principles, consequently the requirements of Ind AS 103 are not applied.
- Property, plant and equipment and intangible assets are measured at their previous GAAP carrying value. The Company has assessed that the previous GAAP accounting approximates, at April 1, 2018, the accounting that would have resulted, had Ind AS been applied retrospectively.

Notes to Financial Statements for the year ended 31st March 2020 (Contd.)

B Reconciliations

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous IGAAP to Ind AS.

i) Reconciliation of equity as previously reported under IGAAP to Ind AS (Amount in ₹)

Particulars	Note No.	Balance Sheet as at March 31, 2019			Balance Sheet as at April 1, 2018		
		IGAAP	Effects of transition to Ind AS	Ind AS	IGAAP	Effects of transition to Ind AS	Ind AS
I. ASSETS							
1) Financial Assets							
(a) Cash and cash equivalents		854,647	-	854,647	722,531	-	722,531
(b) Loans	a	163,219,242	(408,048)	162,811,194	138,788,962	(338,100)	138,450,862
(c) Investments	b	134,807,376	1,092,195,771	1,227,003,147	135,257,376	1,628,346,249	1,763,603,625
(d) Other financial assets		54,090	-	54,090	76,090	-	76,090
Total Financial Assets		298,935,355	1,091,787,723	1,390,723,078	274,844,959	1,628,008,149	1,902,853,108
2) Non-Financial Assets							
(a) Current tax assets (net)		558,791	-	558,791	232,138	-	232,138
(b) Deferred tax assets (net)	c	1,548,944	(1,548,944)	-	1,643,691	(1,643,691)	-
(c) Property, plant and equipment		20,148	-	20,148	20,148	-	20,148
Total Non Financial Assets		2,127,883	(1,548,944)	578,939	1,895,977	(1,643,691)	252,286
Total Assets		301,063,238	1,090,238,779	1,391,302,017	276,740,936	1,626,364,458	1,903,105,394
II. EQUITY AND LIABILITIES							
1) Financial Liabilities							
(a) Payables							
(i) Trade payables							
- Total outstanding dues of micro enterprises and small enterprises		-	-	-	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		86,400	-	86,400	81,000	-	81,000
(ii) Other payables							
- Total outstanding dues of micro enterprises and small enterprises		-	-	-	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-	-	-	-
(b) Borrowings (other than debt securities)		205,774,691	-	205,774,691	191,704,500	-	191,704,500
(c) Other financial liabilities		9,656,600	-	9,656,600	5,425,985	-	5,425,985
Total Financial Liabilities		215,517,691	-	215,517,691	197,211,485	-	197,211,485
2) Non Financial Liabilities							
(a) Provisions	a	419,721	(408,048)	11,673	373,520	(338,100)	35,420
(b) Deferred tax liabilities (net)	c	-	9,908,400	9,908,400	-	64,129,225	64,129,225
(c) Other non financial liabilities		289,417	-	289,417	363,018	-	363,018
Total Non Financial Liabilities		709,138	9,500,352	10,209,490	736,538	63,791,125	64,527,663
3) Equity							
(a) Equity share capital		30,002,000	-	30,002,000	30,002,000	-	30,002,000
(b) Other equity	a,b,c	54,834,409	1,080,738,427	1,135,572,836	48,790,913	1,562,573,333	1,611,364,246
Total Equity		84,836,409	1,080,738,427	1,165,574,836	78,792,913	1,562,573,333	1,641,366,246
Total Equity and Liabilities		301,063,238	1,090,238,779	1,391,302,017	276,740,936	1,626,364,458	1,903,105,394

Notes to Financial Statements for the year ended 31st March 2020 (Contd.)

ii) Reconciliation Statement of Profit and Loss as previously reported under IGAAP to Ind AS (Amount in ₹)

Particulars	Note No.	Year ended 31st March, 2019		
		IGAAP	Effects of transition to Ind AS	Ind AS
I. Revenue from Operations				
Interest Income		11,665,988	-	11,665,988
Dividend Income		971,200	-	971,200
Investment Income	b	7,893,985	(7,893,985)	-
II. Total revenue		20,531,173	(7,893,985)	12,637,188
III. Expenses				
Finance costs		10,681,186	-	10,681,186
Net loss on fair value changes	b	-	3,256,725	3,256,725
Impairment of financial instruments (Expected credit loss)	a	-	69,948	69,948
Employees benefits expense		1,732,123	-	1,732,123
Other expenses	a	696,648	(69,948)	626,700
Total expenses		13,109,957	3,256,725	16,366,682
IV. Profit / (Loss) before tax (II - III)		7,421,216	(11,150,710)	(3,729,494)
V. Tax expense				
Current tax		1,369,292	-	1,369,292
Deferred Tax	c	-	(3,229,188)	(3,229,188)
Income tax for earlier year		8,428	-	8,428
VI. Profit / (Loss) for the year (IV - V)		6,043,496	(7,921,522)	(1,878,026)
VII. Other Comprehensive Income				
A. (i) Items that will not be reclassified to profit or loss	b	-	(524,999,769)	(524,999,769)
(ii) Income taxes on items that will not be reclassified to profit or loss	c	-	51,086,385	51,086,385
B. (i) Items that will be reclassified to profit or loss		-	-	-
(ii) Income taxes on items that will be reclassified to profit or loss		-	-	-
Total Other Comprehensive Income, net of taxes		-	(473,913,384)	(473,913,384)
VIII. Total Comprehensive Income/ (Loss) for the year (VI + VII)		6,043,496	(481,834,906)	(475,791,410)
IX. Earnings per share (of ₹ 10/- each):				
Basic		2.01		(0.63)
Diluted		2.01		(0.63)

Notes to Financial Statements for the year ended 31st March 2020 (Contd.)

iii) Cash flow statement

Effects of IND AS adoption on Cash Flows for year ended March 31, 2019:

Particulars	Note No.	IGAAP	Effects of transition to Ind AS	Ind AS
Net cash generated from/(used in) operating activities	b	2,148,220	(16,086,295)	(13,938,075)
Net cash generated from/(used in) investing activities		(16,086,295)	16,086,295	-
Net cash generated from/(used in) financing activities		14,070,191	-	14,070,191
Net increase/(decrease) in cash and cash		132,116	-	132,116
Cash and cash equivalents at start of year		722,531	-	722,531
Cash and cash equivalents at close of year		854,647	-	854,647

Notes:

a) Impairment of financial assets

As set out in Ind AS 101, an entity shall apply the impairment requirements of Ind AS 109 retrospectively if it does not entail any undue cost or effort. The Company has assessed impairment of financial assets in conformity with Ind AS 109.

b) Fair valuation of investments subsequently measured under FVTPL and FVOCI

Under the previous GAAP, investments in Equity instruments, Preference shares and other mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings (net of related deferred taxes) as at the date of transition and subsequently in the Statement of Profit and Loss for the year ended 31 March 2019 or Other Comprehensive Income (OCI) depending upon the subsequent measurement category for the investments.

c) Deferred Tax

Indian GAAP requires deferred tax accounting using the statement of profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

In addition, under the previous IGAAP, MAT credit entitlement was presented as part of long-term loans and advances. Under Ind AS, MAT credit entitlement is required to be presented as part of Deferred tax assets. There is no impact on the total equity or profit as a result of this adjustment.

Notes to Financial Statements for the year ended 31st March 2020 (Contd.)**7. Cash and cash equivalents**

(Amount in ₹)

	31 March 2020	31 March 2019	1 April 2018
Cash on hand	57,508	80,063	113,208
Balance with banks			
- In current accounts	2,357,697	774,584	609,323
	2,415,205	854,647	722,531

The Company's primary source of liquidity is cash generated from operations is, the Company believes that its cash and cash equivalents along with cash generated from operations will be sufficient to meet its working capital requirements as well as repayment obligations with respect to debt and borrowings. Company's choices of sources of funding is driven with the objective of maintaining an optimal capital structure. COVID-19 may have an impact on the Companies cash conversion cycle due to delays and may result in increased working capital requirements. However the Company believes that it have sufficient cash liquidity.

8. Loans

	31 March 2020	31 March 2019	1 April 2018
Loans repayable on demand - at amortised cost			
- Others, unsecured (Rocky Marketing Private Limited)	175,310,961	163,219,242	138,788,962
Less: Impairment loss	438,277	408,048	338,100
	174,872,684	162,811,194	138,450,862

Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on year-end stage classification. The amounts presented are gross of Impairment loss allowance.

	Stage	31 March 2020	31 March 2019	1 April 2018
Low credit risk	Stage 1	175,310,961	163,219,242	138,788,962
Significant increase in credit risk	Stage 2	-	-	-
Credit-Impaired	Stage 3	-	-	-
Total		175,310,961	163,219,242	138,788,962

Notes to Financial Statements for the year ended 31st March 2020 (Contd.)

9. Investments

	Face Value	31 March 2020	31 March 2019	1 April 2018
In India				
Investments in mutual funds				
- at fair value through profit or loss				
Quoted, fully paid-up				
PGIM India Money Market Fund D-Growth; 6,424.572 units (31 March 2019: Nil, 1 April 2018: Nil)	-	6,443,893	-	-
		6,443,893	-	-
Investments in equity instruments				
- at fair value through other comprehensive income				
Quoted, fully paid-up				
Himadri Speciality Chemical Ltd.; 94,87,000 (31 March 2019: 94,87,000; 1 April 2018: 94,87,000)	1	279,392,150	1,111,402,050	1,390,794,200
Ashok Fashions Ltd.; Nil (31 March 2019: 10,000; 1 April 2018: 10,000)	10	-	1	1
		279,392,150	1,111,402,051	1,390,794,201
Unquoted, fully paid-up				
Ganipitak Yakshraj Caplease Ltd.; 2,500 (31 March 2019: 2,500; 1 April 2018: 2,500)	10	26,334	26,334	26,334
Modern Hi-Rise Private Limited; 3 (31 March 2019: 3; 1 April 2018: Nil)#	10	203,082	798,066	-
Himadri Industries Limited; Nil (31 March 2019: Nil; 1 April 2018: 5,29,000)#	10	-	-	56,126,732
Himadri Dyes & Intermediates Ltd.; Nil (31 March 2019: Nil; 1 April 2018: 12,00,122)#	10	-	-	173,887,526
Himadri Coke & Petro Ltd.; Nil (31 March 2019: Nil; 1 April 2018: 288,250)#	10	-	-	34,905,792
Himadri Industries Private Limited (formerly known as Shresth Merchandise Private Limited); 1 (31 March 2019: 1; 1 April 2018: 1)#	10	2,299	1,214	1,214
Mega Resources Ltd. (Formerly known as Mega Market Share Resources Ltd.) 18,900 (31 March 2019: 18,900; 1 April 2018: 18,900)	10	2,488,945	2,488,945	2,391,653
Sri Agro Himghar Ltd.; 55,450 (31 March 2019: 55,450; 1 April 2018: 55,450)	100	42,042,393	32,286,735	35,281,107
Sitaram Management Ltd.; 18,000 (31 March 2019: 18,000; ; 1 April 2018: 18,000)	10	1,599,961	1,957,448	2,804,933
Raghupati Consultants Ltd.; 13,650 (31 March 2019: 13,650; 1 April 2018: 13,650)	10	938,667	907,118	1,331,652
Rameshwar Consultants Ltd.; 80,000 (31 March 2019: 80,000; 1 April 2018: 80,000)	10	3,900,637	3,686,140	6,098,640
Sampoorna Merchandise Pvt. Ltd.; 1,41,000 (31 March 2019: 1,41,000; 1 April 2018: 1,41,000)	10	49,978,555	47,066,336	49,065,038
Tuaman Engineering Ltd.; Nil (31 March 2019: Nil; 1 April 2018: 45,000)	10	-	-	5,916,203
		101,180,873	89,218,336	367,836,824

Notes to Financial Statements for the year ended 31st March 2020 (Contd.)

Investments	Face Value	31 March 2020	31 March 2019	1 April 2018
Investments in others				
- At fair value through profit or loss				
Unquoted, fully paid-up				
1% Non-cumulative redeemable preference shares				
# Modern Hi-Rise Private Limited; 21,41,016 (31 March 2019: 21,41,016; 1 April 2018: Nil)	10	21,410,160	21,410,160	-
# Himadri Industries Private Ltd. (formerly known as Shresth Merchandise Private Limited); 4,97,260 (31 March 2019: 4,97,260; 1 April 2018: 4,97,260)	10	4,972,600	4,972,600	4,972,600
		26,382,760	26,382,760	4,972,600
Outside India		-	-	-
Total gross investments		413,399,676	1,227,003,147	1,763,603,625
Less: Impairment loss allowance		-	-	-
Total net investments		413,399,676	1,227,003,147	1,763,603,625

Notes:

In accordance with the Composite Scheme of Arrangement,

- the Cold Storage business of Himadri Industries Limited (HIL) was demerged to Himadri Industries Private Limited (formerly known as Shresth Merchandise Private Limited (SMPL)) w.e.f. 1st April, 2018.

- Himadri Dyes & Intermediates Limited (HDIL), Himadri Coke & Petro Limited (HCPL) and the remaining business of HIL was amalgamated with and into Modern Hi-Rise Private Limited (MHPL) w.e.f. 1st June, 2018.

Pursuant to the scheme, the equity shareholders of the amalgamating & demerged companies were allotted Equity Shares and 1% Non-Cumulative Redeemable Preference Shares in the amalgamated and demerged companies respectively in accordance with the swap ratio specified in the said scheme.

The equity instruments which are not held for trading, and for which the Company has made an irrevocable election at an initial recognition to recognise changes in fair value through OCI rather than profit or loss as these are strategic investments and the Company considered it relevant to classify it through OCI.

10. Other financial assets

	31 March 2020	31 March 2019	1 April 2018
(Unsecured, considered good)			
Security and other deposits	35,090	35,090	35,090
Advances recoverable in cash or in kind	-	19,000	41,000
	35,090	54,090	76,090

11. Current tax assets (net)

	31 March 2020	31 March 2019	1 April 2018
Advance tax and tax deducted at source (net of provision)	2,041,442	558,791	232,138
	2,041,442	558,791	232,138

Notes to Financial Statements for the year ended 31st March 2020 (Contd.)

12. Property, plant and equipment

	Vehicles	Office equipment's	Total own assets
Gross carrying amount - at cost			
As at 1st April 2018	184,971	218,000	402,971
Additions	-	-	-
Disposals and transfers	-	-	-
As at 31st March 2019	184,971	218,000	402,971
Additions	-	-	-
Disposals and transfers	-	-	-
As at 31st March 2020	184,971	218,000	402,971
Accumulated depreciation			
As at 1st April 2018	175,723	207,100	382,823
Depreciation charge during the year	-	-	-
Disposals and transfers	-	-	-
As at 31st March 2019	175,723	207,100	382,823
Depreciation charge during the year	-	-	-
Disposals and transfers	-	-	-
As at 31st March 2020	175,723	207,100	382,823
Carrying amounts (net)			
As on 1st April 2018	9,248	10,900	20,148
As on 31st March 2019	9,248	10,900	20,148
As on 31st March 2020	9,248	10,900	20,148

13. Payables

	31 March 2020	31 March 2019	1 April 2018
Trade Payables			
- Total outstanding dues of micro enterprises and small enterprises	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	122,923	86,400	81,000
	122,923	86,400	81,000

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006

The following disclosures is made as per the requirement under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") on the basis of conformations sought from suppliers on registration with the specified authorities under MSMED Act:

Notes to Financial Statements for the year ended 31st March 2020 (Contd.)

Particulars	31 March 2020	31 March 2019	1 April 2018
(a) the principal amount remaining unpaid to any supplier at the end of each accounting year;	-	-	-
(b) the interest due thereon remaining unpaid to any supplier at the end of each accounting year;			
(c) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-	-
(d) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;	-	-	-
(e) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-	-
(f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-	-
	-	-	-

The aforementioned is based on the response received by the Company to its inquiries with suppliers with regard to applicability under the MSMED Act.

Other Payables			
- Total outstanding dues of micro enterprises and small enterprises	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
	-	-	-

14. Borrowings (other than debt securities)

	31 March 2020	31 March 2019	1 April 2018
In India			
Unsecured, recorded at amortised cost			
Loan repayable on demand			
- from related parties#	65,086,400	60,849,500	60,716,510
- from other parties	167,494,724	144,925,191	130,987,990
Outside India	-	-	-
	232,581,124	205,774,691	191,704,500

Includes interest free loan of ₹ 6,00,00,000 from Modern Hi-Rise Private Limited.

Notes to Financial Statements for the year ended 31st March 2020 (Contd.)**15. Other Financial Liabilities**

	31 March 2020	31 March 2019	1 April 2018
Interest accrued but not due on borrowings	2,839,374	9,580,962	5,425,985
Salary Payable	-	75,638	-
	2,839,374	9,656,600	5,425,985

16. Provisions

	31 March 2020	31 March 2019	1 April 2018
Provision for employee benefits			
-Provision for leave encashment	15,788	11,673	35,420
	15,788	11,673	35,420

17. Deferred tax assets / (liabilities) (net)*

	31 March 2020	31 March 2019	1 April 2018
Deferred tax assets			
-On unabsorbed loss	483,123	1,062,153	732,076
-On Unrealised loss on Investments	1,456,881	1,827,380	(1,071,804)
Deferred tax liabilities			
-Unrealised profit on Investments	16,832,774	14,344,566	65,430,951
-Difference in depreciation on fixed assets	2,375	2,311	2,237
	(14,895,145)	(11,457,344)	(65,772,916)
Add: Deferred MAT credit entitlement	1,547,055	1,548,944	1,643,691
	(13,348,090)	(9,908,400)	(64,129,225)

Movement in deferred tax assets/ liabilities balances

	As at 1 April 2018	Recognised in Profit or Loss	Recognised in OCI	As at 31 March 2019	Recognised in Profit or Loss	Recognised in OCI	As at 31 Mar 2020
Deferred tax assets							
Total deferred tax assets (A)	(339,728)	3,229,263	-	2,889,535	(949,531)	-	1,940,004
Total deferred tax liabilities (B)	65,433,188	75	(51,086,384)	14,346,879	64	2,488,206	16,835,149
Net deferred tax assets/ (liabilities) (A-B)	(65,772,916)	3,229,188	51,086,384	(11,457,344)	(949,595)	(2,488,206)	(14,895,145)
MAT credit	1,643,691	(94,747)	-	1,548,944	(1,889)	-	1,547,055
	(64,129,225)	3,134,441	51,086,384	(9,908,400)	(951,484)	(2,488,206)	(13,348,090)

Deferred tax assets can only be recognised to the extent it is probable there will be future taxable profits. Subsequent to the balance sheet date, the Group has reviewed the current impact of COVID-19 on those future taxable profits and concluded that deferred tax assets can continue to be recognised in full.

Notes to Financial Statements for the year ended 31st March 2020 (Contd.)**18. Other Non Financial Liabilities**

	31 March 2020	31 March 2019	1 April 2018
Statutory dues	325,468	289,417	363,018
	325,468	289,417	363,018

19. Share Capital

	31 March 2020	31 March 2019	1 April 2018
Authorised			
40,00,000 (31 March 2019: 40,00,000; 1 April: 40,00,000) Equity Shares of ₹10/- each	40,000,000	40,000,000	40,000,000
Issued, Subscribed & Paid-Up			
30,00,200 (31 March 2019: 30,00,200; 1 April: 30,00,200) Equity shares of ₹10/- each fully paid up	30,002,000	30,002,000	30,002,000
	30,002,000	30,002,000	30,002,000

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

Particulars	31 March 2020		31 March 2019		1 April 2018	
	Number	Amount	Number	Amount	Number	Amount
At the commencement of the year	3,000,200	30,002,000	3,000,200	30,002,000	3,000,200	30,002,000
Add: Issued during the year	-	-	-	-	-	-
At the end of the year	3,000,200	30,002,000	3,000,200	30,002,000	3,000,200	30,002,000

B. Rights, preferences and restrictions attached to equity shares:

The company has only one class of shares referred to as equity shares having a par value of Rs.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. The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by shareholders at the Annual General Meeting.

C. Particulars of shareholders holding more than 5% of total number of shares issued by the company:

Name of Shareholder	As at 31 March 2020		As at 31 March 2019		As at 1 April 2018	
	No. of Shares held	% holding in that class of shares	No. of Shares held	% holding in that class of shares	No. of Shares held	% holding in that class of shares
Himadri Speciality Chemical Ltd.	334,900	11.16	334,900	11.16	334,900	11.16
Vijay Kumar Choudhary (HUF)	160,000	5.33	160,000	5.33	160,000	5.33
Bankey Lal Choudhary (HUF)	155,600	5.19	155,600	5.19	155,600	5.19
Anurag Choudhary	150,100	5.00	150,100	5.00	150,100	5.00

Notes to Financial Statements for the year ended 31st March 2020 (Contd.)

20. Other Equity

Components	Note	1st April 2019	Movement during the year	31 March 2020	1st April 2018	Movement during the year	31 March 2019
Retained earnings	a	42,621,320	304,714	42,926,034	45,708,046	(3,086,726)	42,621,320
Equity instruments through other comprehensive income	b	1,084,879,590	(822,430,572)	262,449,018	1,558,792,974	(473,913,384)	1,084,879,590
Reserve fund u/s 45-IC (1) of Reserve Bank of India Act, 1934	c	8,071,926	102,500	8,174,426	6,863,226	1,208,700	8,071,926
		1,135,572,836	(822,023,358)	313,549,478	1,611,364,246	(475,791,410)	1,135,572,836

- a. **Retained earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings is a free reserve available to the Company.
- b. **Equity instruments through other comprehensive income:** This reserves represents the cumulative gains (net of losses) arising on revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified, if any, to retained earnings when those instruments are disposed of.
- c. **Reserve fund u/s 45-IC (1) of Reserve Bank of India Act, 1934:** As prescribed by section 45-IC of the Reserve Bank of India Act, 1934, the Company is required to transfer 20% of its net profit every year, as disclosed in the Statement of Profit & Loss before any dividend is declared, to Special Reserve.

21. Interest income

	31 March 2020	31 March 2019
At amortised cost		
Interest on loans	14,052,042	11,665,988
	14,052,042	11,665,988

22. Dividend income

	31 March 2020	31 March 2019
Dividend from investment in equity instruments	1,423,050	971,200
	1,423,050	971,200

23. Net gain/ (loss) on fair value changes

	31 March 2020	31 March 2019
Net gain/ (loss) on financial instruments at fair value through profit or loss		
On financial instruments designated at fair value through profit or loss	143,894	(3,256,725)
	143,894	(3,256,725)
Fair value changes		
- Realised	124,571	7,893,985
- Unrealised	19,323	(11,150,710)
	143,894	(3,256,725)

Notes to Financial Statements for the year ended 31st March 2020 (Contd.)**24. Finance costs**

	31 March 2020	31 March 2019
Interest on borrowings	12,371,448	10,666,881
Other interest expenses (on statutory payments)	9,090	14,305
	12,380,538	10,681,186

25. Impairment on financial instruments

	31 March 2020	31 March 2019
Impairment on financial instruments at amortised cost		
- Loans	30,229	69,948
	30,229	69,948

26. Employees benefits expense

	31 March 2020	31 March 2019
Salaries	1,052,850	1,718,699
Staff welfare expenses	16,035	13,424
	1,068,885	1,732,123

27. Other expenses

	31 March 2020	31 March 2019
Rates and taxes	12,970	8,500
Printing and stationery	77,749	92,259
Advertisement	64,240	59,135
Director's sitting fees	89,000	100,000
Auditors' fees and expenses		
- Statutory audit fees	76,700	44,250
- Other services	47,200	44,250
- Certification services	-	5,900
Legal and professional charges	118,084	108,240
Travelling and conveyance	13,881	19,824
Other balances written off	19,000	-
Miscellaneous expenses	123,900	144,342
	642,724	626,700

Notes to Financial Statements for the year ended 31st March 2020 (Contd.)**28. Earnings Per Share (EPS):**

The calculation of basic earnings per share is based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding and calculated as follows:

Particulars	31 March 2020	31 March 2019
Profit after tax attributable to equity shareholders (₹)	512,214	(1,878,026)
Weighted average number of ordinary shares (basic and diluted)	3,000,200	3,000,200
Earnings/ (Loss) per share		
Basic EPS (Face value per share - ₹ 10)	0.17	(0.63)
Diluted EPS (Face value per share - ₹ 10)	0.17	(0.63)

29. Income Taxes

Amount recognised in statement of profit and loss	31 March 2020	31 March 2019
Current tax expense		
Current year	30,500	1,369,292
Prior years	2,413	8,428
	32,913	1,377,720
Deferred tax expense		
Origination and reversal of temporary differences	949,594	(3,229,188)
MAT credit entitlement	1,889	-
Total tax expense	982,507	(1,851,468)

Reconciliation of income tax expense of the year to accounting year	31 March 2020	31 March 2019
Profit before tax	1,496,610	(3,729,494)
Tax using the Company's domestic tax rate	26.00%	26.00%
Expected income tax expense	389,119	(969,668)
Tax effect of:		
- Non-deductible expenses	31,708	45,353
- Tax-exempt income- Dividend	(369,993)	(252,512)
- Income taxed at different rates	363,587	(393,582)
- Others	568,087	(281,059)
Total income tax expense	982,507	(1,851,468)

The Government of India had introduced the Taxation (Amendment) Ordinance 2019 on the 20th of September 2019. Section 115BAA was inserted via this Ordinance in the Income Tax Act, 1961 to give the benefit of a reduced corporate tax rate for the domestic companies. Section 115BAA states that domestic companies have the option to pay tax at a rate of 22% from the FY 2019-20 (AY 2020-21) onwards if such domestic companies adhere to certain conditions specified. The Company has not opted for such lower tax rate and will therefore continue to claim MAT Credit entitlement.

Notes to Financial Statements for the year ended 31st March 2020 (Contd.)**30. Contingent liabilities**

	31 March 2020	31 March 2019
Claims against the Company not acknowledged as debt - Income tax matter	1,968,811	1,791,200

31. Related party transactions:**A. Key managerial personnel and their relatives**

Bankey Lal Choudhary	-	Key Managerial Personnel (Managing Director)
Anurag Choudhary	-	Key Managerial Personnel (Non-Executive Director)
Tushar Choudhary	-	Key Managerial Personnel (Non-Executive Director)
Santosh Kumar Agrawala	-	Key Managerial Personnel (Independent Director)
Suchitra Basu De	-	Key Managerial Personnel (Independent Director)
Vipin Gupta	-	Key Managerial Personnel (Independent Director) - Up to 13 th August, 2019.
Amit Choudhary	-	Relative of Key Managerial Personnel
Koushik Ranjan Saha	-	Chief Financial Officer & Company Secretary

B. Enterprises owned or significantly influenced by the key managerial personnel or their relatives

Himadri Speciality Chemical Ltd

Himadri Industries Private Limited (formerly known as Shresth Merchandise Private Limited)#

Modern Hi-Rise Private Limited#

Sri Agro Himghar Limited

Sampoorna Merchandise Pvt Ltd

Sri Siromani Dealers Private Limited

AAT Techno Info-Limited

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

Nature of transactions	31 March 2020	31 March 2019
Dividend received		
Himadri Speciality Chemical Ltd	1,423,050	948,700
Borrowings taken		
Sampoorna Merchandise Pvt Ltd	339,900	-
Sri Siromani Dealers Private Limited	1,459,000	-
AAT Techno Info-Limited	-	-
Repayment of borrowings		
Sampoorna Merchandise Pvt Ltd	12,000	-

Notes to Financial Statements for the year ended 31st March 2020 (Contd.)

Nature of transactions	31 March 2020	31 March 2019
Interest Income (net of TDS)		
Sampoorna Merchandise Pvt Ltd	53,591	50,400
Sri Siromani Dealers Private Limited	24,321	10,764
AAT Techno Info-Limited	176,884	176,400
Sale of investments		
Anurag Choudhary	-	4,247,600
Tushar Choudhary	-	891,700
Amit Choudhary	-	3,185,700
Director's sitting fees		
Santosh Kumar Agrawala	42,000	37,000
Suchitra Basu De	40,000	26,000
Vipin Gupta	7,000	37,000
Remuneration		
Koushik Ranjan Saha	605,481	431,712

Balances at year end :-

Particulars	31 March 2020	31 March 2019
Borrowings (including Interest Accrued)		
Modern Hi-Rise Private Limited	60,000,000	60,000,000
Sri Siromani Dealers Private Limited	1,624,711	160,264
Sampoorna Merchandise Pvt Ltd	1,043,519	750,400
AAT Techno Info-Limited	2,493,979	2,626,401
Investment held		
Himadri Speciality Chemical Ltd	279,392,150	1,111,402,050
Modern Hi-Rise Private Limited	21,613,242	22,208,226
Himadri Industries Private Limited	4,974,899	4,973,814
Sampoorna Merchandise Pvt Ltd	49,978,555	47,066,336
Sri Agro Himghar Limited	42,042,393	32,286,735

Refer Note 9 of the Ind AS financials.

Notes to Financial Statements for the year ended 31st March 2020 (Contd.)

32 Maturity analysis of assets & liabilities

Particulars	31 March 2020		31 March 2019		1 April 2018	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
ASSETS						
Financial Assets						
(a) Cash and cash equivalents	2,415,205	-	854,647	-	722,531	-
(b) Loans	174,872,684	-	162,811,194	-	138,450,862	-
(c) Investments	6,443,893	406,955,783	-	1,227,003,147	-	1,763,603,625
(d) Other financial assets	-	35,090	19,000	35,090	41,000	35,090
	183,731,782	406,990,873	163,684,841	1,227,038,237	139,214,393	1,763,638,715
Non-Financial Assets						
(a) Current tax assets (net)	2,041,442	-	558,791	-	232,138	-
(b) Property, plant and equipment	-	20,148	-	20,148	-	20,148
	2,041,442	20,148	558,791	20,148	232,138	20,148
TOTAL ASSETS	185,773,224	407,011,021	164,243,632	1,227,058,385	139,446,531	1,763,658,863
LIABILITIES						
Financial Liabilities						
(a) Payables						
(I) Trade payables						
- Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	122,923	-	86,400	-	81,000	-
(II) Other payables						
- Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
(b) Borrowings (other than debt securities)	232,581,124	-	205,774,691	-	191,704,500	-
(c) Other financial liabilities	2,839,374	-	9,656,600	-	5,425,985	-
	235,543,421	-	215,517,691	-	197,211,485	-
Non Financial Liabilities						
(a) Provisions	15,788	-	11,673	-	35,420	-
(b) Deferred tax liabilities (net)	-	13,348,090	-	9,908,400	-	64,129,225
(c) Other non financial liabilities	325,468	-	289,417	-	363,018	-
	341,256	13,348,090	301,090	9,908,400	398,438	64,129,225
TOTAL LIABILITIES	235,884,677	13,348,090	215,818,781	9,908,400	197,609,923	64,129,225
NET	(50,111,453)	393,662,931	(51,575,149)	1,217,149,985	(58,163,392)	1,699,529,638

Notes to Financial Statements for the year ended 31st March 2020 (Contd.)

33. No provision has been made in accounts in respect of gratuity to the Employees as the Company is not covered under the Payment of Gratuity Act, 1972.

34. Segment Information

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Company is mainly engaged in the investing and finance business and all other activities revolve around the main business of the Company. Further, all activities are conducted within India and as such there is no separate reportable segment, as per the Ind AS 108 - "Operating Segments" specified under Section 133 of the Act.

35 Financial instruments and related disclosures

35.1 Fair values vs carrying amounts

The following table shows fair values of financial assets and liabilities, including their levels in financial hierarchy, together with the carrying amounts shown in the statement of financial position. The table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Note No.	As at 31st March 2020			As at 31st March 2019			As at 1st April 2018		
		Carrying amount	Fair value		Carrying amount	Fair value		Carrying amount	Fair value	
			Level 1	Level 3		Level 1	Level 3		Level 1	Level 3
A. Financial assets:										
a) Measured at amortised cost										
Cash and cash equivalents	7	2,415,205	-	-	854,647	-	-	722,531	-	-
Loans	8	174,872,684	-	-	162,811,194	-	-	138,450,862	-	-
Other financial assets	10	35,090	-	-	54,090	-	-	76,090	-	-
b) Measured at fair value through profit or loss										
Investments	9	32,826,653	6,443,893	26,382,760	26,382,760	-	26,382,760	4,972,600	-	4,972,600
c) Measured at fair value through other comprehensive income										
Investments	9	380,573,023	279,392,150	101,180,873	1,200,620,387	1,111,402,051	89,218,336	1,758,631,025	1,390,794,201	367,836,824
B. Financial liabilities:										
a) Measured at amortised cost										
Borrowings	14	232,581,124	-	-	205,774,691	-	-	191,704,500	-	-
Payables		122,923	-	-	86,400	-	-	81,000	-	-
Other financial liabilities	15	2,839,374	-	-	9,656,600	-	-	5,425,985	-	-

35.2 Fair value measurement

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchange in a current transaction between willing parties, other than in forced or liquidation sale.

The Company has established the following fair value hierarchy that categories the value into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: The hierarchy uses quoted (adjusted) price or NAV is measured at quoted price.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on company specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Notes to Financial Statements for the year ended 31st March 2020 (Contd.)

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The management assessed that trade receivables, cash and cash equivalent, other bank balances, trade payable and other financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

35.3 Financial risk management

Risk management framework

The Company's principal financial liabilities comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company operations. The Company's principal financial assets include loans, trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

The Company has exposure to the following risks arising from financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

(i) Credit risk

Credit risk is the risk of financial loss of the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company receivables from customers. Credit arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities of lending and investing business.

The company has comprehensive and well-defined credit policies which encompass credit approval process for all businesses along with guidelines for mitigating the risks associated with them. The appraisal process includes detailed risk assessment of the borrowers, physical verifications and field visits. The company has a robust post sanction monitoring process to identify credit portfolio trends and early warning signals. This enables it to implement necessary changes to the credit policy, whenever the need arises.

For other financial assets and investments, the Company has an investment policy which allows the Company to invest only with counterparties having a good credit rating. The Company reviews the creditworthiness of these counterparties on an on-going basis. Counterparty limits may be updated as and when required subject to approval of Board of Directors.

(ii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's finance team is responsible for liquidity, funding as well as settlement management. In addition, Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

Notes to Financial Statements for the year ended 31st March 2020 (Contd.)

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Contractual maturity profile

Particulars	As at 31 March 2020			As at 31 March 2019			As at 1 April 2018		
	< 1 year	1-5 years	> 5 years	< 1 year	1-5 years	> 5 years	< 1 year	1-5 years	> 5 years
Borrowings	232,581,124	-	-	205,774,691	-	-	191,704,500	-	-
Payables	122,923	-	-	86,400	-	-	81,000	-	-
Other financial liabilities	2,839,374	-	-	9,656,600	-	-	5,425,985	-	-
	235,543,421	-	-	215,517,691	-	-	197,211,485	-	-

(iii) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates and other market changes that effect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments, receivables, payables and borrowings.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates related primarily to the Company's borrowing with floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost. The Company presently have no financial instruments having variable market interest rates, and therefore the Company is not exposed to any interest rate risk.

Sensitivity analysis

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.

(b) Equity price risk

The Company's exposure to equity securities risk arises from investments held by the Company and classified in the Balance Sheet as fair value through OCI.

To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio in accordance with Investment Policy of the Company.

As regards investments in unlisted privately held companies, the fair valuations are largely dependent on the investee company's ability to achieve desired outcomes which measure the performance of the Company. Hence the key price risk emanates from performance shortfall due to industry risks, policy changes and liquidity risk given the lower exit probability.

(c) Currency risk

The Company does not have currency risks since it is not exposed to any foreign currency transaction.

36 Capital Management

The primary objective of the capital management policy is to ensure compliance with regulatory capital requirements. In line with this objective, the company ensures adequate capital at all times and manages its business in a way in which capital is protected, satisfactory business growth is ensured, cash flows are monitored, borrowing covenants are honoured and ratings are maintained. Regulatory capital-related information is presented as part of the RBI mandated disclosures. The RBI norms require capital to be maintained at prescribed levels. In accordance with such norms, Tier I capital of the Group comprises of share capital and reserves, there is no Tier II capital in the Company.

Notes to Financial Statements for the year ended 31st March 2020 (Contd.)

There were no changes in the capital management process during the periods presented.

Particulars	31 March 2020	31 March 2019	1 April 2018
Borrowings	232,581,124	205,774,691	191,704,500
Less: Cash and cash equivalents	2,415,205	854,647	722,531
Adjusted net debt	230,165,919	204,920,044	190,981,969
Total Equity	343,551,478	1,165,574,836	1,641,366,246
Adjusted net Debt-Equity ratio	0.6700	0.1758	0.1164

RBI disclosures from Notes 37 to 41 have been prepared as per RBI Circulars / Directives basis Ind-AS financial statements. RBI disclosures are prepared basis gross carrying value of loans.

37. Disclosure pursuant to Reserve Bank of India notification DOR (NBFC).CC.PD.No.109 /22.10.106/2019-20 pertaining to Asset Classification as per RBI Norms

As at 31st March 2020

Asset Classification as per RBI Norms	Asset Classification as per Ind-AS 109	Gross carrying amount (Ind-AS)	Loss allowances: Ind-AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind-AS 109 and IRACP
Performing Assets						
Standard	Stage 1	175,310,961	438,277	174,872,684	438,277	-
	Stage 2	-	-	-	-	-
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Total		175,310,961	438,277	174,872,684	438,277	-

As at 31st March 2019

Asset Classification as per RBI Norms	Asset Classification as per Ind-AS 109	Gross carrying amount (Ind-AS)	Loss allowances: Ind-AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind-AS 109 and IRACP
Performing Assets						
Standard	Stage 1	163,219,242	408,048	162,811,194	408,048	-
	Stage 2	-	-	-	-	-
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Total		163,219,242	408,048	162,811,194	408,048	-

Notes to Financial Statements for the year ended 31st March 2020 (Contd.)

As at 1st April 2018

Asset Classification as per RBI Norms	Asset Classification as per Ind-AS 109	Gross carrying amount (Ind-AS)	Loss allowances: Ind-AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind-AS 109 and IRACP
Performing Assets						
Standard	Stage 1	138,788,962	338,100	138,450,862	346,972	(8,872)
	Stage 2	-	-	-	-	-
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Total		138,788,962	338,100	138,450,862	346,972	(8,872)

38. Schedule to the Balance Sheet of a non deposit taking Non-Banking Financial Company (as required in terms of Paragraph 19 of - Non-Banking Financial Company –Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016

Particulars			
Liabilities side		31.03.2020	31.03.2019
1	Loans and advances availed by the nonbanking financial company inclusive of interest accrued thereon but not paid :		
a	Debentures : Secured	-	-
	: Unsecured	-	-
	(other than falling within the meaning of public deposits)		
b	Deferred credits	-	-
c	Term loans	-	-
d	Inter-corporate loans and borrowings	-	-
e	Commercial paper	-	-
f	Public Deposits	-	-
2	Other loans (Represents Working Capital Demand Loans)	235,420,498	215,355,653
Assets side		31.03.2020	31.03.2019
3	Break-up of loans and advances including bills receivables (other than those included in (4) below):		
a	Secured	-	-
b	Unsecured	175,310,961	163,219,242

Notes to Financial Statements for the year ended 31st March 2020 (Contd.)

Particulars			
Liabilities side		31.03.2020	31.03.2019
4	Break-up of leased assets and stock on hire and other assets counting towards asset finance activities:		
(i)	Lease assets including lease rentals under sundry debtors		
a	Financial lease	-	-
b	Operating lease	-	-
(ii)	Stock on hire including hire charges under sundry debtors		
a	Assets on hire	-	-
b	Repossessed assets	-	-
(iii)	Other loans counting towards asset financing activities:		
a	Loans where assets have been repossessed	-	-
b	Loans other than (a) above	-	-
5	Break-up of investments:		
A	Quoted		
i	Shares:		
a	Equity	-	-
b	Preference	-	-
ii	Debentures and bonds	-	-
iii	Units of mutual funds	6,443,893	-
iv	Government securities	-	-
v	Others	-	-
B	Unquoted		
i	Shares:		
a	Equity	-	-
b	Preference	-	-
ii	Debentures and bonds	-	-
iii	Units of mutual funds	-	-
iv	Government securities	-	-
v	Others	-	-
	Long term investments		
A	Quoted:		
i	Shares:		
a	Equity	279,392,150	1,111,402,051
b	Preference	-	-
ii	Debentures and bonds	-	-
iii	Units of mutual funds	-	-
iv	Government securities	-	-
v	Others	-	-
B	Unquoted		
i	Shares:		
a	Equity	101,180,873	89,218,336
b	Preference	26,382,760	26,382,760
ii	Debentures and bonds	-	-
iii	Units of mutual funds	-	-
iv	Government securities	-	-
v	Others	-	-
	Total	588,710,637	1,390,222,389

Notes to Financial Statements for the year ended 31st March 2020 (Contd.)

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

Category		Amount net of provisions 31.03.2020		
		Secured	Unsecured	Total
A	Related parties			
a	Subsidiaries	-	-	-
b	Companies in the same group	-	-	-
c	Other related parties	-	-	-
B	Other than related parties	-	175,310,961	175,310,961
	Total	-	175,310,961	175,310,961

Category		Amount net of provisions 31.03.2019		
		Secured	Unsecured	Total
A	Related parties			
a	Subsidiaries	-	-	-
b	Companies in the same group	-	-	-
c	Other related parties	-	-	-
B	Other than related parties	-	163,219,242	163,219,242
	Total	-	163,219,242	163,219,242

7 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

Category		31.03.2020		31.03.2019	
		Market value/ Break up or fair value or NAV	Book value (net of provisions)	Market value/ Break up or fair value or NAV	Book value (net of provisions)
A	Related parties				
a	Subsidiaries	-	-	-	-
b	Companies in the same group	-	-	-	-
c	Other related parties	398,001,239	398,001,239	1,217,937,161	1,217,937,161
B	Other than related parties	15,398,437	15,398,437	9,065,986	9,065,986
	Total	413,399,676	413,399,676	1,227,003,147	1,227,003,147

8 Other information

Particulars		31.03.2020	31.03.2019
(i)	Gross non-performing assets		
a	Related parties	-	-
b	Other than related parties	-	-
(ii)	Net non-performing assets		
a	Related parties	-	-
b	Other than related parties	-	-
(iii)	Assets acquired in satisfaction of debt	-	-

Notes to Financial Statements for the year ended 31st March 2020 (Contd.)

39 Other RBI disclosures:

- (i) **Penalties imposed by RBI and Other Regulators:** No penalties have been imposed by RBI and Other Regulators during current year (Previous year - NIL).
- (ii) **Disclosure on frauds pursuant to RBI Master direction:** No frauds were detected and reported for the current year (Previous year - NIL).
- (iii) **Overseas Assets:** There are no overseas asset owned by the Company.
- (iv) **Draw Down from Reserves:** The Company has made no drawdown from existing reserves.
- (v) **Registration under Other Regulators:** The Company is not registered under any other regulator other than Reserve Bank of India.

40. Disclosure pursuant to Reserve Bank of India Circular DOR.No.BP.BC.63/21.04.048/2020-21 dated 17 April 2020 pertaining to Asset Classification and Provisioning in terms of COVID19 Regulatory Package

Particulars	31.03.2020
Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended	-
Respective amount where asset classification benefits is extended	-
General provision made*	-
General provision adjusted during the period against slippages and the residual provisions	-

*The Company, being NBFC, has complied with Ind-AS and guidelines duly approved by the Board for recognition of the impairments.

As per our report of even date attached

For S. Jaykishan

Chartered Accountants

Firm's Registration Number : 309005E

Sd/-

CA VIVEK NEWATIA

Partner

Membership No.062636

Place : Kolkata

Date: The 15th day of June, 2020

UDIN: 20062636AAAACQ3692

For and on behalf of the Board of Directors

Sd/-

BANKEY LAL CHOUDHARY

Managing Director

(DIN: 00173792)

Sd/-

ANURAG CHOUDHARY

Director

(DIN: 00173934)

Sd/-

KOUSHIK RANJAN SAHA

CFO & Company Secretary

Note _____

[illegible]

Note _____

[illegible]

Himadri Credit & Finance Limited

CIN: L65921WB1994PLC062875

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

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

Ph. No: 033 22309953

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

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



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

1. Name:

Address:

E-mail Id:Signature:or failing him

2. Name:

Address:

E-mail Id:Signature:or failing him

3. Name:

Address:

E-mail Id:Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company, to be held on **Wednesday, 23 September 2020 at 10:30 a.m. (IST) at 8 India Exchange Place, 2nd Floor, Kolkata- 700 001** and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description of Resolutions	For	Against
1	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31 March 2020 together with the report of the Board of Directors and Auditors thereon.(Ordinary Resolution)		
2	To appoint a Director in place of Mr. Tushar Choudhary (DIN: 00174003), who retires by rotation and being eligible, offers himself for re-appointment.(Ordinary Resolution)		

Signed thisday of 2020

Signature of shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp of
₹ 1/-

Notes:

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

Himadri Credit & Finance Limited

CIN: L65921WB1994PLC062875

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

E-mail: hcf@himadri.com | Website: www.himadricredit.in

Ph. No: 033 22309953

ATTENDANCE SLIP

I certify that I am a Member / proxy / authorized representative for the Member of the Company. I hereby record my presence at the 25th Annual General Meeting of the Company being held on **Wednesday, the 23 September 2020 at 10:30 a.m. (IST)** at 8 India Exchange Place, 2nd Floor, Kolkata- 700 001

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

Signature of the Shareholder/ Proxy/
Authorized Representative Present

Notes:

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

Route Map of AGM Venue



