

33rd Annual Report

&

Accounts

2014 - 2015

Shree Nidhi Trading Co. Ltd.

Shree Nidhi Trading Co. Ltd.

Corporate Identity No.: L67120WB1982PLC035305

33rd Annual Report & Accounts 2014 – 2015

Board of Directors :

Mr. Tanumay Laha	Managing Director
Mr. Shibashis Mukherjee	Independent Director
Mr. Rajesh Kurmi	Independent Director
Mr. Arun Kumar Khemka	Independent Director
Mr. Amalesh Sadhu	Independent Director
Mr. Rakesh Kumar Agarwal	Independent Director
Mrs. Jyoti Lohia	Independent Director

Audit Committee :

Mr. Arun Kumar Khemka	Chairman
Mr. Amalesh Sadhu	Independent Director
Mr. Rakesh Kumar Agarwal	Independent Director
Mr. Rajesh Kurmi	Independent Director
Mrs. Jyoti Lohia	Independent Director

Nomination And Remuneration Committee :

Mr. Amalesh Sadhu	Chairman
Mr. Shibashis Mukherjee	Independent Director
Mr. Rajesh Kurmi	Independent Director
Mrs. Jyoti Lohia	Independent Director

Stakeholder's Relationship Committee :

Mr. Amalesh Sadhu	Chairman
Mr. Shibashis Mukherjee	Independent Director
Mr. Rajesh Kurmi	Independent Director

Risk Management Committee :

Mr. Rajesh Kurmi	Chairman
Mr. Arun Kumar Khemka	Independent Director
Mr. Tanumay Laha	Managing Director

Chief Financial Officer :

Mr. Avik Gupta

Registered Office :

7, Lyons Range,
3rd Floor, Room No. 9 & 10,
Kolkata – 700 001
Ph. : 033 3262 4539
E-mail ID : shreenidhico@yahoo.com
Website : www.shreenidhitrading.com

Registrar and Transfer Agent :

Niche Technologies Pvt. Ltd.
D-511, Bagree Market,
71, B.R.B. Basu Road
Kolkata-700 001

Bankers :

Bank Of India
HDFC Bank
Indian Overseas Bank
Indusind Bank

Auditors:

M/s. Pachisia & Associates
Chartered Accountants
454, Dum Dum Park, Kolkata-700 055

SHREE NIDHI TRADING CO. LTD.

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting before you 33rd Annual Report of the Company together with Audited Accounts for the year ended 31st March, 2015.

1. Financial Summary or Highlights.

(in `)

Particulars	Standalone		Consolidated	
	2014-15	2013-14	2014-15	2013-14
Total Revenue	5,67,24,730	1,44,26,815	5,67,24,730	1,44,26,815
(Less): Total Expenditure	(5,57,44,325)	(1,43,16,122)	(5,57,87,897)	(1,44,05,762)
Profit before Exceptional & Extraordinary Items	9,80,405	1,10,693	9,36,833	21,053
Add/(Less): Exceptional Items	-	-	-	-
Add/(Less): Extraordinary Items-Profit on sale of Fixed Assets	497	-	497	-
Profit Before Tax	9,80,902	1,10,693	9,37,330	21,053
(Less): Provision for Current Tax	(3,05,000)	(34,583)	(3,05,000)	(34,583)
Add/(Less): Provision for Deferred Tax	635	379	635	379
Add/(Less): Contingent Provision for Standard Asset	(13,302)	-	(13,302)	-
Add/(Less): Current Tax Expense relating to prior year	(15,811)	-	(15,811)	-
Net Profit after Tax	6,47,424	76,489	6,03,852	(13,151)
(Less): Transfer to Statutory Reserve	(1,35,180)	(15,300)	(1,35,180)	(15,300)
Add/(Less): Brought forward from previous year	6,98,162	6,36,973	6,08,522	6,36,973
Balance carried to Balance Sheet	12,10,406	6,98,162	10,77,194	6,08,522

2. Consolidated Financial Statements.

In accordance with the Companies Act, 2013(hereinafter referred to as "the Act") and Accounting Standard (AS) – 21 on Consolidated Financial Statements read with AS – 23 on Accounting for Investments in Associates, the audited consolidated financial statement is provided in the Annual Report.

3. Change in Share Capital.

During the year under review, there has been no change in the Authorised or Paid-up Share Capital. The Authorised Share Capital of the Company stands at ` 8,00,00,000/- divided into 80,00,000 Equity Shares of ` 10 each. The Paid-up Share Capital of the Company is ` 7,79,37,000 divided into 77,93,700 Equity Shares of ` 10/- each.

4. Corporate Governance.

Pursuant to SEBI Circular No. CIR/CFD/POLICY CELL/7/2014 dated 15th September, 2014 Clause 49 of the Equity Listing Agreement is not applicable to the Company, However, on a voluntary basis the Company has complied with the provisions of Clause 49 to the extent feasible for the Company.

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A separate report on Corporate Governance is furnished as a part of the Directors' Report and the certificate from the Practicing Chartered Accountant regarding compliance with the condition of Corporate Governance is annexed to the said Report.

5. Extract of Annual Return.

The Extract of the Annual Return as on the financial year ended on 31st March, 2015, in Form MGT-9 pursuant to section 92(3) of the Act and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 is appended to the Directors' Report in *Annexure-1*.

6. Number of Meetings of the Board.

The Board of Directors of the Company met eight (8) times during the Financial Year under review, i.e. on 30/04/2014, 02/05/2014, 30/05/2014, 31/07/2014, 08/10/2014, 12/11/2014, 13/02/2015 and 23/03/2015.

Further, one exclusive meeting of the Independent Directors, pursuant to Schedule IV of the Act and Clause 49(II)(B)(6) of the Listing Agreement was held on 31st March, 2015.

All the meetings were held in accordance with the provisions of the Act and the Listing Agreement.

The Details of the above meetings are given in Corporate Governance Report which is annexed in the Annual Report.

7. Disclosure pursuant to Section 177(8) of the Act-Composition of the Audit Committee.

Pursuant to section 177(8) of the Act disclosure of the Composition of Audit Committee is given below:-

The Audit Committee of the Company comprises of five non-executive independent directors as on 31st March, 2015 and is chaired by Mr. Arun Kumar Khemka (having DIN: 00428276), non-executive Independent Director. The details of the same is morefully provided in the Corporate Governance Report.

During the Financial Year under review, the Committee met four (4) times and all such meetings were held in accordance with the provisions of the Act and the Listing Agreement.

Further, the Board of Directors has accepted all the recommendations of the Audit Committee in the Financial Year 2014-15.

8. Composition of the Nomination and Remuneration Committee.

Pursuant to the requirements of Section 178 of the Act, the Nomination and Remuneration Committee of the Company comprises of four Non Executive Independent Directors.

The details of the Committee is provided in the Corporate Governance Report.

9. Composition of the Stakeholders Relationship Committee.

Pursuant to the requirements of Section 178 of the Act, the Stakeholders Relationship

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Committee of the Company consists of three Non Executive Independent Directors as on 31st March, 2015.

The details of the Committee are provided in the Corporate Governance Report.

10. Directors' Responsibility Statement.

Pursuant to Section 134(3)(c) read with section 134 (5) of the Act, to the best of their knowledge and belief and according to the information and explanations obtained by them, the Directors of the Company hereby make the following statements :

- a. In the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with the proper explanation relating to material departures, if any.
- b. 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 on the Financial Year ended on 31st March, 2015 and of the profit of the company for the year under review.
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. The Directors have prepared the annual accounts on a going concern basis.
- e. The Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively.
- f. 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.

11. Declaration by the Independent Directors.

Pursuant to Section 149(7) of the Act, all the independent directors have submitted the statement at their first Board Meeting of the financial year under review that they meet the criteria of independence as laid down under section 149(6) of the Act, read with clause 49 of listing agreement.

12. Policy on Directors' Appointment & Remuneration.

Pursuant to the provisions of Section 178(4) of the Act read with the Rules made thereunder and Clause 49 of the Listing Agreement, the Nomination and Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of a director and has further formulated a policy relating to the remuneration for directors, key managerial personnel and other employees, which has been duly approved by the Board of Directors.

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While formulating the Policy, the Nomination and Remuneration Committee has assured that:

- a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- b. The relationship of remuneration to performance is clear and meets appropriate benchmarks; and
- c. The remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The details of the same have been provided in the Corporate Governance Report for the Financial Year 2014-15. The shareholders may also visit the Company's website, viz; **www.shreenidhitrading.com** for the detailed Nomination and Remuneration Policy of the Company on Directors appointment and remuneration.

13. Auditors & Auditors' Report.

A. Statutory Auditors

M/s. Pachisia & Associates, Chartered Accountants (Firm Registration No. 327542E) of 454, Dumdum Park, Kolkata – 700 055, was appointed as the Statutory Auditor of the Company for a period of five years from the conclusion of the 32nd Annual General Meeting, held on 29th September, 2014, till the conclusion of the 37th Annual General Meeting, subject to ratification by members at every subsequent Annual General Meeting. Therefore, ratification of appointment of Statutory Auditors is being sought from the members of the Company at the ensuing Annual General Meeting.

B. Independent Auditors' Report

The Self Explanatory Independent Auditors' Report does not contain any adverse remarks or qualification.

C. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act read with the Rules made thereunder, Mr. Praveen Sharma (C.P. No.14501, Membership No. A30365), Company Secretary in whole-time Practice, was appointed for the issuance of the Secretarial Audit Report for the Financial Year 2014-15.

D. Secretarial Audit Report

The Report of the Secretarial Audit Report does not contain any adverse remark save and except the followings:-

There was a delay in filing e-form MGT-14 regarding adoption of Annual Accounts, adoption of Director's Report, DIR-12 regarding appointment of Directors etc.

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The Secretarial Audit Report is annexed herewith as ***Annexure-2***.

14. Particulars of Loans, Guarantees or Investments under Section 186 of the Act.

The provisions of section 186 are not applicable upon a Non-Banking Financial Company. Therefore, the Company is not required to provide any disclosure pursuant to Section 134(3)(g) of the Act.

15. Particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the prescribed form.

All related party transactions, contracts or arrangements that were entered into, during the financial year under review, were on an arms-length basis and in the ordinary course of business.

The Company has adhered to its “Policy on Related Party Transactions and Materiality of Related Party Transactions” while pursuing all Related Party transactions. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

During the year under review, the Company has not entered into any material related party transaction as defined in Clause 49 of the Listing Agreement. All Related Party Transactions were placed before the Audit Committee and the Board for approval. Accordingly, no transactions are being reported in Form No. AOC-2 in terms of Section 134 of the Act read with the Rules made thereunder.

16. State of Company Affairs & Future Outlook.

During the Financial year under review, the Company has recorded a total income of ` 56,724,730/- for the current financial year as compared to ` 1,44,26,815/-, for the previous financial year.

The Profit After Tax on a standalone basis amounted to ` 6,47,424/- as against ` 76,489/- in the previous year. There has been a consistent increase in profit of the Company during the financial year under review.

The Company is showing substantial growth and is making all due efforts in achieving its business objectives in the most efficient manner.

17. The amount proposed to be carried to reserves.

The detail of the amounts apportioned to the reserves has been provided under the category “Financial Summary or Highlights” in this Directors Report.

18. Dividend

Considering the future prospects and for strengthening the financial position of the Company, your Directors do not recommend any dividend for the financial year under review.

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19. Material changes and commitments affecting the financial position of the company between the end of the financial year and the date of the Report.

No Material Changes and commitments affecting the financial position of the Company, have occurred between the end of the financial year of the company to which the financial statements relate and the date of this Directors' Report.

Disclosure pertaining to the effect on the financial results of material changes in the composition of the Company, if any, pursuant to Clause 41(iv)(m) of the Listing Agreement.

There has not been any material change in the composition of the Company and therefore the Disclosure of Clause 41(IV)(m) of the Listing Agreement pertaining to material changes in the composition of the Company, is not applicable upon the Company.

20. Conservation of Energy, Technology absorption, Foreign exchange earnings and outgo.

In terms of Section 134 (3) (m) of the Act read with the Rules made there under, the Company has no activity relating to Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo during the financial year under review.

21. Risk Management Policy

During the year, the Company constituted a Risk Management Committee in accordance with Clause 49 of the Listing Agreement which has been entrusted with the responsibility of:

- a) Overseeing and approving the Company's enterprise wide risk management framework; and
- b) Overseeing that all the risks that the organization faces.

Accordingly, the Company has in place a Risk Management Policy in accordance with Clause 49 of the Listing Agreement provisions and in compliance with Section 134(3)(n) of the Act. The Policy provides for the identification therein of elements of risk , which in the opinion of the Board may threaten the existence of the Company.

The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business.

Pursuant to Schedule IV (II)(4) of the Act, the Independent Directors, inter-alia amongst others, review the system from time to time to ensure that Risk Management is resilient.

Further, in compliance with Clause 49(I)(D)(2)(a) of the Listing Agreement, the Board of Directors have also been reviewing on a periodical basis the Risk Management Policy of the Company to make it at par with the Company's objectives.

22. Policy on Corporate Social Responsibility (CSR) Initiatives.

Pursuant to provisions of Section 135 of the Act, the Company is not required to constitute a Corporate Social Responsibility Committee or to undertake any CSR activities.

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Therefore, the Company is not required to make any disclosure as specified in Section 134(3)(o) of the Act.

23. Manner of Formal Annual Performance Evaluation of the Board, Individual Directors And Committees.

Pursuant to Section 134(3)(p) of the Act read with Rule 8(4) of the Companies (Accounts) Rules, 2014, other applicable provisions of the Act, and various applicable clauses of the Listing Agreement, the manner in which annual performance of individual directors and the committees was evaluated in the reported year, is described hereunder:-

- a. Pursuant to Clause 49(IV)(B)(1), the Nomination & Remuneration Committee has formulated criteria for determining qualifications, positive attributes and independence and independence of a director and recommended to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees. The details of the same are described in the Corporate Governance Report.
- b. The Nomination & Remuneration Committee also identifies persons qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommends to the Board their appointment and removal and carries out the evaluation of every director's performance in accordance with Section 178(2) of the Act read with the Rules framed thereunder and Clause 49(IV)(B)(4) of the Listing Agreement.
- c. The performance evaluation criteria of the Board and Independent Directors has been formulated by the Nomination and Remuneration Committee Pursuant to Clause 49(IV)(B)(2) of the Listing Agreement.
- d. Pursuant to section 178(2) of the Act, the Nomination and Remuneration Committee of the Company carries out the performance evaluation of the individual directors.
- e. Further, the Committee has also devised a Policy on Board Diversity as provided in Clause 49(IV)(B)(3) of the Listing Agreement.
- f. Pursuant to Clause VIII of Schedule IV to the Act and Clause 49(II)(B)(5) of the Listing Agreement, the performance evaluation of the Independent Directors is pursued by the entire Board of Directors, excluding the director being evaluated. On the basis of the report of performance evaluation, the extension of the term of appointment or its continuance in respect of the independent directors is considered.
- g. Pursuant to Clause VII of Schedule IV to the Act and Clause 49(II)(B)(6) of the Listing Agreement, a separate meeting of the Independent Directors of the Company was held on 31st March, 2015 to Review the performance of the non-independent directors and the Board as a whole and that of the Chairman of the company, taking into account the views of the executive directors and non-executive directors. The parameters of evaluation was as per the criteria formulated by the Nomination and Remuneration Committee.

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- h. Further, the board monitors and reviews the board evaluation framework in compliance with Clause 49 (I)(D)(2)(i) of the Listing Agreement and evaluates the performance of all the Committees.

24. Nomination and Remuneration Policy.

Section 178 of the Act, read with Rules made thereunder and Clause 49(IV)(B) of the Listing Agreement, defines the role of the Nomination and Remuneration Committee to include, inter alia amongst others, the following:

- a. To formulate the criteria for determining qualifications, positive attributes and independence of a director and to recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
- b. To identify 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.

The details of the same have been provided in the Corporate Governance Report for the Financial Year 2014-15. The shareholders may also visit the Company's website, viz; **www.shreenidhitrading.com** for the detailed Nomination and Remuneration Policy of the Company on Directors appointment and remuneration.

25. Change in the nature of business.

There has been no change in the nature of business of the Company in the Financial Year under review.

26. Directors and Key Managerial Personnel.

a. Non-Executive, Independent & Executive Directors

Mr. Tanumay Laha (DIN- 01731277), being Executive Director of the Company, retires at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment as the Managing Director without any variation in the terms of his appointment.

Pursuant to Section 149 of the Act read with the Rules made thereunder, the Independent Directors shall hold office for a period of up to 5 consecutive years and shall not be liable to retire by rotation. They may be appointed for a maximum of two consecutive terms of up to 5 years each. In terms of revised clause 49 of the listing agreement applicable from 1st October, 2014, in case the Independent Director has already served for 5 or more years, he can be appointed for only one term of 5 years.

In this connection, all the Independent Directors of the Company, viz: Arun Kumar Khemka, Shibashis Mukherjee, Rajesh Kurmi, Rakesh Kumar Agarwal and Amalesh Sadhu were appointed for a term of five consecutive years commencing from the conclusion of 32nd Annual General Meeting of the Company, keeping in view their educational / professional qualifications, working experience, expertise in line with Company's business, positive attributes, already being on the Board of the Company and benefits that the Company will