

35th Annual Report

&

Accounts

2016 - 2017

Shree Nidhi Trading Co. Ltd.

Shree Nidhi Trading Co. Ltd.

Corporate Identity No.: L67120WB1982PLC035305

35th Annual Report & Accounts 2016 – 2017

Board of Directors :

Mr. Tanumay Laha	Managing Director
Mr. Shibashis Mukherjee	Non Executive - Independent Director
Mr. Rajesh Kurmi	Non Executive - Independent Director
Mr. Arun Kumar Khemka	Non Executive - Independent Director - Chairperson
Mr. Rakesh Kumar Agarwal	Non Executive - Independent Director
Mrs. Jyoti Lohia	Non Executive - Independent Director

Audit Committee :

Mr. Arun Kumar Khemka	Non Executive - Independent Director - Chairperson
Mr. Rakesh Kumar Agarwal	Non Executive - Independent Director
Mr. Rajesh Kurmi	Non Executive - Independent Director
Mrs. Jyoti Lohia	Non Executive - Independent Director

Nomination And Remuneration Committee :

Mr. Rajesh Kurmi	Non Executive - Independent Director - Chairperson
Mr. Shibashis Mukherjee	Non Executive - Independent Director
Mrs. Jyoti Lohia	Non Executive - Independent Director

Stakeholder's Relationship Committee :

Mr. Arun Kumar Khemka	Non Executive - Independent Director - Chairperson
Mr. Shibashis Mukherjee	Non Executive - Independent Director
Mr. Rajesh Kurmi	Non Executive - Independent Director

Risk Management Committee :

Mr. Rajesh Kurmi	Non Executive - Independent Director - Chairperson
Mr. Arun Kumar Khemka	Non Executive - 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. : +91 84430 07953
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 :

HDFC Bank
State Bank of India

Auditors:

M/s. Pachisia & Associates
Chartered Accountants
783, Anandapur
Kolkata-700 107

SHREE NIDHI TRADING CO. LTD.

7, Lyons Range, 3rd Floor, Room No. 9 & 10, Kolkata-700 001
Phone No. +918443007953, CIN – L67120WB1982PLC035305
E-mail: shreenidhico@yahoo.com, Website: www.shreenidhitrading.com

DIRECTORS' REPORT

Dear Members,

The Directors have pleasure in presenting the 35th Annual Report of the Company together with Audited Accounts for the year ended March 31, 2017.

1. Financial Highlights

The highlights of the financial performance of the Company for the financial year ended 31st March, 2017 as compared to the previous financial year are as under:-

(in `)

Particulars	2016-17	2015-16
Total Revenue	5,364,982	44,18,964
(Less):Total Expenditure	(51,93,866)	(39,19,078)
Profit before Exceptional & Extraordinary Items	1,71,116	4,99,886
Add/(Less): Exceptional Items	-	-
Add/(Less): Extraordinary Items (Profit on Sale of Fixed Assets)	-	-
Profit/(Loss) Before Tax	1,71,116	4,99,886
(Less): Provision for Current Tax	(52,875)	(1,56,000)
(Less)/Add: Earlier year Tax written off	(4,531)	-
(Less)/Add:Contingent provision for Standard Assets	(14,652)	11,691
(Less)/Add: Current Tax expense relating to prior years	-	9,570
Net Profit/(Loss) after Tax	99,058	3,65,147
(Less): Transfer to Statutory Reserve	(19,812)	(73,029)
Add/(Less): Brought forward from previous year	1,502,524	12,10,406
Balance carried to Balance Sheet	15,81,770	15,02,524

2. Performance

(a) Annual Financial Results

The total income of the Company during the Financial Year 2016-17 was Rs. 53,64,982/- as compared to Rs. 44,18,964/- for the previous financial year. The profit before tax stood at Rs.1,71,116/- as compared to 4,99,886 in the previous financial year.

(b) Names of companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year

The Company had 14 subsidiaries at the beginning of the year which ceases to be its subsidiary at the end of financial year. However, the Company had incorporated 20 subsidiaries companies which is yet to commence its business

➤ The names of companies which have become its subsidiaries are as follows.

- a) SNCL Entertainment Limited
- b) SNCL Logistics Limited

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- c) SNCL Builders Limited
- d) Kendal Papers Limited
- e) Kendal Transports Limited
- f) D2M Homes Limited
- g) Fursan Projects Limited
- h) Fursan Properties Limited
- i) D2M Tools Limited
- j) Havelock Logistics Limited
- k) Gybes Creation Limited
- l) Gybes Fashion Limited
- m) Gybes Retail India Limited
- n) Gybes Enterprises Limited
- o) Sudhashree Enterprises Limited
- p) Fursan Highrise Limited
- q) Fursan Riverview Limited
- r) Fursan Seaview Limited
- s) Fursan Atalika Limited
- t) Fursan Sunshines Limited

Further the same disclosure of subsidiaries is provided morefully in Form AOC-1, which is appended to the Directors' Report in **Annexure-1**.

➤ **The names of companies which have ceased to be its subsidiaries during the financial year are as follows.**

- a) SNCL Iron And Steel Limited
- b) SNCL Marketing Limited
- c) SNCL Paper Trading Limited
- d) SNCL Real Estate Limited
- e) SNCL Properties Limited
- f) SNCL Projects Limited
- g) Sunwhite Builders Limited
- h) Sunwhite Constructions Limited
- i) Sunwhite Consultants Limited
- j) Sunwhite Homes Limited
- k) Sunwhite Housing Limited
- l) Sunwhite Projects Limited
- m) Sunwhite Real Estates Limited
- n) Sunwhite Properties Limited

3. 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. Dividend

In order to conserve the resources of the Company and considering the business plan of the Company, the Board of Directors do not recommend any dividend on the Equity Shares of the Company for the Financial Year ended March 31, 2017.

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5. Reserves

The Company has transferred ₹ 19,812 to the Statutory Reserves maintained under section 45 IA of the Reserve Bank of India Act, 1934. The detail of the amounts apportioned to the reserves has been provided under the category “Financial Highlights” in this Directors Report.

6. Accounting Standards Followed By the Company

The Financial Statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles (GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act and the Guidelines prescribed by the RBI, as applicable.

7. Listing

The equity shares of the Company were listed on BSE Ltd. under Direct Listing route w.e.f. January 16, 2017. The Company equity shares continue to be listed on the Calcutta Stock Exchange Limited.

8. Corporate Governance Report

The Company is committed to maintain the best standards possible in compliance with the Corporate Governance guidelines, as laid out in the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter refer to as the “Listing Regulations”). All the Directors and the Senior Management personnel have affirmed in writing their compliance with and adherence to the Code of Conduct adopted by the Company.

The Statutory Auditors of the Company have examined the requirements of Corporate Governance and have certified the compliance, as required under SEBI Listing Regulations. The Certificate in this regard is attached to this Report.

9. Extract of the Annual Return

The Extract of the Annual Return as on the financial year ended on March 31, 2017, in Form MGT-9 pursuant to section 92(3) of the Companies Act, 2013 (hereinafter referred to as the “Act”) and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 is attached to the Directors' Report in **Annexure-2**.

10. 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: 22/04/2016, 30/05/2016, 20/07/2016, 12/08/2016, 12/11/2016, 03/02/2017, 28/02/2017 and 29/03/2017.

Further, one exclusive meeting of the Independent Directors, pursuant to Schedule IV of the Companies Act, 2013 and sub-regulation 3 of Regulation 25 of the Listing Regulations was held on 29/03/2017.

The Meetings were held in accordance with the provisions of the Act and the Listing Regulations and the Secretarial Standard-1.

The details of the Meetings of the Board of Directors during the Financial Year 2016-17 is encompassed in the Corporate Governance Report which is annexed to the said Report.

11. Disclosure pursuant to Section 177(8) of the Companies Act, 2013-Composition of the Audit Committee.

The Audit Committee of the Company comprises of four non-executive Independent Directors as on March 31, 2017. The Committee is chaired by a non-executive Independent Director, Mr. Arun Kumar Khemka (DIN-00428276).

The details of the same are morefully provided in the Corporate Governance Report.

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During the Financial Year under review, the Committee met five (5) times and all such meetings were held in accordance with the provisions of the Act, and the Listing Regulations.

Further, the Board of Directors has accepted all the recommendations of the Audit Committee in the Financial Year 2016-17.

12. Composition of the Nomination and Remuneration Committee

In terms of Section 178(1) of the Act and Regulation 19 of the Listing Regulations, the Nomination and Remuneration Committee should comprise of at least three Directors; all of whom should be Non-Executive Directors. The Committee of the Company comprises of three non-executive Independent Directors as on March 31, 2017.

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

13. Composition of the Stakeholders Relationship Committee

The Stakeholders Relationship Committee consists of three non-executives Independent Director.

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

14. Directors' Responsibility Statement

Pursuant to the provisions of Section 134 (3) (c) read with section 134 (5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

- I. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- II. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- III. they 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;
- IV. they have prepared the annual accounts on a going concern basis;
- V. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- VI. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. Declaration by the Independent Directors

Section 149(7) of the act requires every independent director to give a declaration that he/she meets the criteria of Independence, at the first Board Meeting of every financial year.

Accordingly, the Company has taken on record, the Statement of Declaration of Independence, as submitted by all the Independent Directors.

16. Policy on Directors' Appointment & Remuneration

Pursuant to the provisions of Section 178(4) of the Act read with the Rules made thereunder and as stipulated in regulation 19 of the Listing Regulation, 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 2016-17. 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.

The Nomination and Remuneration Policy is reproduced in **Annexure-3**.

17. Auditors & Auditors' report

A. Statutory Auditors

The appointment of M/s. Pachisia & Associates, Chartered Accountants (Firm Registration No. 327542E) of 783, Anandapur, Kolkata – 700 107, is subject to ratification by the members at the ensuing Annual General Meeting.

In this connection, M/s. Pachisia & Associates have confirmed their eligibility to the effect that their appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for appointment.

Based on the recommendation of the Audit Committee, the Board of Directors recommends their ratification to the shareholders.

B. Independent Auditors' Report

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

C. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed Sneha Agarwal (C.P. No. 17425, Membership No. A45617), Company Secretary in Whole-time Practice, to undertake the Secretarial Audit of the Company for Financial Year 2016-17.

D. Secretarial Audit Report

The Secretarial Audit Report is attached to the Directors' Report in **Annexure-4**. The Report of the Secretarial Audit Report does not contain any adverse remark except that Company has not appointed Company Secretary since 01.02.2017.

Board of Directors' Comment:- The Company had duly given advertisement to fill the vacancy of the Company Secretary of the Company. Whereas, have not received any positive response for the same.

18. Particulars of Loans, guarantees or investments under section 186

The provisions of Section 186 of the Act pertaining to granting of loans to any person or body corporate and giving of guarantees or providing security in connection with a loan to any other body corporate or persons are not applicable to the Company, since it is a Non Banking Financial Company, registered with Reserve Bank of India. Therefore, the Company is not required to provide any disclosure pursuant to Section 134(3)(g) of the Act.

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19. 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.

Further, during the year, the Company had not entered into any contract/ arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

20. State of Company Affairs & Future Outlook

The Company, a Non-Banking Financial (Non-Deposit Accepting or Holding) Company, does not have any public deposits as on March 31, 2017.

The total income of the Company during the Financial Year 2016-17 was Rs. 5,364,982/- as compared to Rs.44,18,964/- for the previous financial year. The profit before tax stood at Rs.1,71,116/- in the reporting year.

The core financial activities of the Company comprises of providing of business loan to corporate and individuals and investment in securities of bodies corporate. Further, the Company is making all due efforts in achieving its business objectives in the most efficient manner and to recover from the losses of the Company by stabilizing its position as an NBFC.

21. Material Changes and commitments, if any, affecting the financial position of the Company, which have occurred between the end of the financial year of the company to which the financial statements relate 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.

22. Disclosure in terms of Rule 8(3) of the Companies (Accounts) Rules, 2014 regarding 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. There is no Foreign Exchange Earning and Outgo during the financial year.

Therefore, the Company is not required to make any disclosure as specified in Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

23. Risk Management

In terms of Listing Regulations, though not mandatorily required, the Company has constituted a Risk Management Committee, the details of which are morefully provided in Corporate Governance Report forming part of this Annual Report.

The Board of Directors in compliance with Section 134(3)(n) of the Act, and Listing regulations has approved the Risk Management Policy which provides for the identification therein of elements of risk, which in the opinion of the Board may threaten the existence of the Company. Further the policy is also available on Company's website <http://www.shreenidhitrading.com>.

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 robust and satisfactory. The main objective of

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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.

Further, in terms of Regulation 17(9)(b) of Listing Regulations, , the Board of Directors is responsible for framing, implementing and monitoring the Risk Management Plan of the Company, and has have delegated the power of monitoring and reviewing of the risk management plan to the Risk Management Committee.

24. 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.

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

25. Manner of formal annual evaluation by the Board of its own performance and that of its committees and individual directors.

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 Regulations, the disclosure regarding the manner of formal annual evaluation by the Board of its own performance and that of its various committees and individual directors is provided hereto:

a. Evaluation Criteria

In terms of the requirements of the Act and Listing Regulations, the Board evaluated the effectiveness of its functioning and that of the Committees and of individual directors by seeking their inputs on various aspects of Board/Committee Governance.

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 Part D of Schedule II of the Listing Regulations.

Further, pursuant to Regulation 19 and as per part D of Schedule II of the Listing Regulations, the Nomination and Remuneration Committee has formulated criteria for determining qualifications, positive attributes 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 morefully described in the Corporate Governance Report.

Further, the Nomination and Remuneration Committee has also devised a Policy on Board Diversity as provided in regulation 19 as per part D of Schedule II of the Listing Regulations.

b. Performance Evaluation of the individual directors

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.

c. Board of Directors

A separate meeting of the Independent Directors of the Company was held on 29/03/2017, pursuant to Clause VII of Schedule IV to the Act and Regulation 25 of the Listing Regulations, for transacting the following businesses as set forth in the Agenda:

1. Review the performance of the non-independent directors and the Board as a whole.
2. Review the performance of the Chairman of the Company, taking into account the views of the executive directors and non-executive directors.

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3. Assessment of the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The same was perused in accordance with the Evaluation criteria determined by the Nomination and Remuneration Committee.

The Independent Directors of the Company in fulfilling their role and functions as specified in Clause II of Schedule IV to the Act, help in bringing an objective view in the evaluation of the performance of the Board and management.

The Independent Directors expressed satisfaction over the performance of all the non-independent Directors and the Chairman.

d. Performance Evaluation of the Independent Directors

Pursuant to Clause VIII of Schedule IV to the Act and Regulation 19 of the Listing Regulations, read with Part D of Schedule II thereto the performance evaluation of the Independent Directors is perused 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 being considered.

e. Performance Evaluation of the Committee

The Board of Directors evaluates the performance of all the Board Committees, based on the Company's Performance Evaluation Policy.

26. Nomination and Remuneration Policy

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have adopted a Nomination and Remuneration Policy in terms of Section 178 of the Act, read with Rules made thereunder and pursuant to Regulation 19 of the Listing Regulations read with Part D of Schedule II.

27. Directors & Key Managerial Personnel

a. Non-Executive & Executive Directors - Non-independent.

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.

b. Independent Directors.

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.

In this connection, all the Independent Directors of the Company, viz: Mr. Arun Kumar Khemka, Mr. Shibashis Mukherjee, Mr. Rajesh Kurmi and Mr. Rakesh Kumar Agarwal were appointed for a term of five consecutive years commencing from the conclusion of 32nd Annual General Meeting of the Company, and Mrs. Jyoti Lohia was appointed as a non-retiring Independent Director of the Company to hold office for a period of five consecutive years from the conclusion of the 33rd AGM till the conclusion of 38th Annual General Meeting or till such earlier date to conform with the policy on retirement, 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 derive with their appointment.

c. Chief Financial Officer.

Mr. Avik Gupta is the Chief Financial Officer of the Company.