

36th Annual Report

&

Accounts

2017 - 2018

Shree Nidhi Trading Co. Ltd.

Shree Nidhi Trading Co. Ltd.
Corporate Identity No.: L67120WB1982PLC035305

Board of Directors:

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

Audit Committee:

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

Nomination And Remuneration Committee:

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

Stakeholder's Relationship Committee:

Mr. Rajesh Kurmi	Non-Executive-Independent-Chairperson
Mr. Arun Kumar Khemka	Non-Executive-Independent Director
Mr. Tanumay Laha	Managing Director

Risk Management Committee:

Mr. Rajesh Kurmi	Non-Executive-Independent-Chairperson
Mr. Arun Kumar Khemka	Non-Executive - Independent Director
Mr. Tanumay Laha	Managing Director

Chief Financial Officer:

Avik Gupta

Registered Office:

7, Lyons Range,
3rd Floor, Room No. 9 & 10,
Hare Street, Kolkata – 700 120
Ph.: +918443007953
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, Anandpur,
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 are pleased to present the 36th Annual Report of the Company together with Audited Accounts for the year ended March 31, 2018.

1. Financial Highlights

The highlights of the financial performance of the Company for the financial year ended 31st March, 2018 as compared to the previous financial year are as under:-

(In Rs.)

Particulars	Standalone		Consolidated
	2017-18	2016-17	2017-18
Total Revenue	43,99,786	53,64,982	46,51,136
(Less): Total Expenditure	(35,90,046)	(51,93,866)	43,82,432
Profit before Exceptional & Extraordinary Items	8,09,740	1,71,116	2,68,704
Add/(Less): Exceptional Items	-	-	-
Add/(Less): Extraordinary Items (Profit on Sale of Fixed Assets)	-	-	-
Profit/(Loss) Before Tax	8,09,740	1,71,116	2,68,704
(Less): Provision for Current Tax	(2,08,508)	(52,875)	(2,27,306)
(Less)/Add: Earlier year Tax written off	-	(4,531)	-
(Less)/Add: Contingent provision for Standard Assets	(20,447)	(14,652)	(20,447)
(Less)/Add: Current Tax expense relating to prior years	-	-	-
Net Profit/(Loss) after Tax before minority interest	5,80,785	99,058	20,951
Add: Share in net profit/loss of Subsidiaries attributable to minority interest			(2,65,136)
(Less): Transfer to Statutory Reserve	(1,16,157)	(19,812)	(1,16,157)
Add/(Less): Brought forward from previous year	1,581,770	1,502,524	1,581,770
Balance carried to Balance Sheet	20,46,398	15,81,770	1,751,700

2. Performance

(a) Annual Financial Results

The total income of the Company during the Financial Year 2017-18 was Rs. 43,99,786/- as compared to Rs. 53,64,982/- for the previous financial year. The profit before tax stood at Rs. 8,09,740/- as compared to Rs. 1,71,116/- in the previous financial year.

(b) Annual Consolidated Financial Results

In accordance with Section 129(3) of the Companies Act, 2013 (herein referred to as "the Act") and Rules made thereunder, the Consolidated Financial Statement is presented in the Annual Report 2017-18. The audited financial statements together with the Consolidated Financial Statements and related information of the Company and audited accounts of each subsidiary company are available on the Company's Website www.shreenidhitrading.com.

It shall also lay down the Separate Financial Statements of the Subsidiaries with the Financial Statement of the Company in its Annual General Meeting.

Having regards to the first proviso to Section 136 of the Act read with the Rules made thereunder, a separate statement containing the salient features of the financial statement i.e., Form AOC-1 is disclosed in Annexure-1. The Company will provide a copy of the annual accounts in respect of each Subsidiary to the shareholders on request and the said annual accounts will also be kept open for inspection at the Registered Office of the Company and the respective Registered Office of the Subsidiary Companies. Any member interested in obtaining the said information may write to Mr. Tanumay Laha, Managing Director at 7, Lyons Range, 3rd Floor, Room No. 9 & 10, Kolkata - 700 001, E-Mail ID: shreenidhico@yahoo.com and the same shall be furnished on request.

As per Listing Regulation, a policy on material subsidiaries as approved by the board may be assessed on the Company's Website www.shreenidhitrading.com

(c) Performance of financial position of the subsidiaries and associates companies during the year

The total income of the Company during the Financial Year 2017-18 on a consolidated basis is Rs. 46,51,136/-. The previous year figure has not been provided, as the businesses of the subsidiaries have not been commenced. The total expenses for the year under review is Rs. 43,82,432/- .

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

At on March 31, 2018, the Company had 25 subsidiaries and no joint ventures and associate Companies.

The details of the same have been provided in Form AOC-1, which is appended to the Directors' Report in **Annexure-1**.

Further, In terms of Rule 8(5)(iv) of the Companies (Accounts) Rules 2014, the disclosure on subsidiaries companies is made hereunder:

➤ **The names of companies which have become its subsidiaries during the period under review**

None of the Companies have become Subsidiaries during the period under review

➤ **The names of companies which have ceased to be its subsidiaries during the period under review**

M/s. Moonshine Enclave Limited, a wholly owned subsidiary ceased to be its subsidiary during the period under review

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 Rs. 8,00,00,000/- divided into 80,00,000 Equity Shares of Rs. 10 each. The Paid-up Share Capital of the Company is Rs. 7,79,37,000 divided into 77,93,700 Equity Shares of Rs. 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 has not recommended any dividend on the Equity Shares of the Company for the Financial Year ended March 31, 2018.

5. Reserves

The Company has transferred Rs. 1,16,157 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 Act 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. Further, trading in securities on the BSE Ltd. was suspended from the period August 2017 to January 2018.

8. Corporate Governance Report

The Company has been voluntarily complying with all the requirements of the code of Corporate Governance, as specified by SEBI.

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

9. Extract of the Annual Return

The Extract of the Annual Return as on the financial year ended on March 31, 2018, 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 attached to the Directors' Report in **Annexure-2**.

10. Number of Meetings of the Board

The Board of Directors of the Company met Seven (7) times during the Financial Year under review, i.e. on: 28/04/2017, 30/05/2017, 14/08/2017, 11/11/2017, 26/12/2017, 14/02/2018 and 20/03/2018.

Further, one exclusive meeting of the Independent Directors, pursuant to Schedule IV of the Act and sub-regulation 3 of Regulation 25 of the Listing Regulations was held on 20/03/2018.

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

The details of the Meetings of the Board of Directors during the Financial Year 2017-18 is encompassed in the Corporate Governance Report which is annexed to the said Report.

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

The Audit Committee of the Company comprises of three Non-Executive Independent Directors as on March 31, 2018. 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.

During the Financial Year under review, the Committee met four (4) times viz. 30.05.2017, 14.08.2017, 11.11.2017 and 14.02.2018 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 2017-18.

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, 2018.

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 that 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.

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 2017-18. The shareholders may also visit the Company's website for the detailed Nomination and Remuneration Policy of the Company on Directors appointment and remuneration at <http://www.shreenidhitrading.com/Nomination&Remuneration-Policy.html>.

17. Auditors & Auditors' report

A. Statutory Auditors

M/s. Pachisia & Associates, Chartered Accountants (Firm Registration No. 327542E) of 783, Anandapur, Kolkata – 700 107, is the Statutory Auditor of the Company and holds office till the conclusion of the 37th Annual General Meeting to be held in the calendar year 2019.

In terms of section 40 of the Companies (Amendment) Act, 2017 read with Companies (Audit and Auditors) Second Amendment Rules, 2018, notified to be effective from 7th May, 2018, the requirement of ratifying the appointment of Auditor has been omitted.

In this connection, M/s. Pachisia & Associates have furnished a Certificate of Eligibility pursuant to Section 141 of the Act read with the Rules framed thereunder.

B. Independent Auditors' Report

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

C. Maintenance of cost records

Maintenance of cost record as specified by the Central Government under sub section 1 of section 148 of Companies Act, 2013 is not required by the Company.

D. 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 Ms. Sweety Sharma (C.P. No. 13098, Membership No. 35080), Company Secretary in Whole-time Practice, to undertake the Secretarial Audit of the Company for Financial Year 2017-18.

E. Secretarial Audit Report

The Secretarial Audit Report is attached to the Directors' Report in **Annexure-3**. The Report of the Secretarial Audit Report does not contain any adverse remark except the following:

- 1. Delay of filing in e-form MGT-14 w.r.t. appointment of Secretarial Auditor.*
- 2. Company has not appointed Company Secretary as per the provision of section 203 of the Companies Act, 2013*
- 3. Company's Shares were suspended from trading as per Notice No. SEBI/HO/ISD/OW/P/2017/18183 dated August 7, 2017 under GSM frame work.*
- 4. Further, the BSE Ltd. Vide its letter no. L/SURV/OFL/AB/2017-18/SHELL/COMP/540253/1 dated 5th February, 2018 has appointed Chartered Accountant Firm to carry out the forensic audit of the Company.*

Board of Directors' Comment:-

1. The Company has inadvertently not filed the form regarding the appointment of Secretarial Auditor.
2. 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.
3. The Company has made requisite representations to the exchange under the Graded Surveillance Measures (GSM) and appealed before the Securities Appellate Tribunal for revocation of Suspension.

17. Reporting of Fraud by Auditor

During the year under review, the Statutory Auditor and the Secretarial Auditor have not reported any instances of fraud committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013.

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

The provisions of section 186 of the Act 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.

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, 2018.

The total income of the Company (standalone) during the Financial Year 2017-18 was Rs. 43,99,786/- as compared to Rs. 5,364,982/- for the previous financial year. The profit before tax stood at Rs. 8,09,740/- in the reporting year as compared to previous financial year was Rs.1,71,116/-.

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 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 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

Pursuant to Part D of Schedule II of the Listing Regulations, the Nomination and Remuneration Committee has formulated the criteria for evaluation of the performance of the Independent Directors and the Board. The Nomination and 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 there under and Part D of Schedule II of the Listing Regulations.

The Board shall monitor & review the Board Evaluation Framework and evaluate the performance of all the Board Committees.

Further, 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 in accordance with Regulation 19(4) 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 20/03/2018, 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.
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.

The Nomination and Remuneration Policy is available on the website of the Company at <http://www.shreenidhitrading.com/Nomination&Remuneration-Policy.html>

27. Board Diversity policy

The Company acknowledges and embraces the benefits of having a diverse board for effective decision making, and views diversity at the board level as an important element in strong corporate governance. Diversity encompasses diversity of perspective, experience, background, gender, age, ethnicity and geographic background, psychological type and personal attributes. Appointments to the Board are made in the context of complementing and expanding the skills, knowledge and experience of the Board as a whole.

The Board has adopted the Board Diversity Policy which sets out the approach to diversity of Board of Directors.

The Board Diversity Policy is available on the website of the Company at <http://www.shreenidhitrading.com/Policy-on-Board-Diversity.html>

28. 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, the Independent Directors of the Company, viz: Mr. Arun Kumar Khemka and Mr. Rajesh Kurmi 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.

Further, Mr. Rakesh Kumar Agarwal (DIN-02417926) and Mr. Shibashis Mukherjee (DIN-00846644), Non-Executive Independent Director of the Company have given their resignation from the post of Directorship on August, 3, 2017 and December, 12, 2017 respectively.