



## **Himadri Credit & Finance Limited**

28<sup>th</sup> Annual Report  
2022 - 23

## CORPORATE INFORMATION

### CORPORATE IDENTIFICATION NUMBER (CIN)

L65921WB1994PLC062875

### DIRECTORS

Mr. Anurag Choudhary (DIN: 00173934)

Mr. Amit Choudhary (DIN: 00152358)

Mr. Santimoy Dey (DIN: 06875452)

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, 8<sup>th</sup> Floor

Kolkata – 700 001

Ph No.: (033) 2230-4363/9953

Website: [www.himadricredit.in](http://www.himadricredit.in)

E-mail: [hcfl@himadri.com](mailto:hcfl@himadri.com)

### CORPORATE OFFICE

8, India Exchange Place

Ruby House, 2<sup>nd</sup> Floor

Kolkata - 700 001

### REGISTRAR & SHARE TRANSFER AGENT

M/s. S.K. Infosolutions Pvt. Ltd

D/42, Katju Nagar Colony, Ground Floor,

PO & PS-Jadavpur,

Kolkata - 700 032.

Ph: 033 - 24120027 / 24120029

E-mail: [skcdilip@gmail.com](mailto:skcdilip@gmail.com)

Web Site: [www.skcinfo.com](http://www.skcinfo.com)

## CONTENTS

Notice	01
Board's Report	15
Independent Auditor's Report	53
Financial Statements 2022-23	64

## Himadri Credit & Finance Limited

CIN: L65921WB1994PLC062875

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

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

Ph. No: 033-22309953

### NOTICE

**NOTICE** is hereby given that the 28<sup>th</sup> Annual General Meeting (“AGM”) of the Members of Himadri Credit & Finance Limited (“the Company”) will be held on **Tuesday, 19 September 2023 at 11:00 a.m. (IST) through Video Conferencing (“VC”)/ Other Audio-Visual Means (“OAVM”)** 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 2023 together with the report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Amit Choudhary (DIN: 00152358) who retires by rotation and being eligible offers himself for re-appointment.

#### SPECIAL BUSINESS:

3. **To appoint Mr. Santimoy Dey (DIN: 06875452) as an Independent Director and to consider and, if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the rules framed thereunder and Regulation 16(1)(b), Regulation 17 and Regulation 25 and all other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(“Listing Regulations”) and other applicable laws (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Santimoy Dey (DIN: 06875452), who was appointed as an Additional Director in the capacity of Independent Director of the Company with effect from 08 August 2023 based on the recommendation of the Nomination & Remuneration Committee and who holds office up to the date of this Annual General Meeting in terms of Section 161 of the Act and who has submitted the necessary declaration to the effect that he meets the criteria for independence as prescribed in the Act and Listing Regulations and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the office of director, be and is hereby appointed as an Independent Director of the Company, for the first term, not liable to retire by rotation, for a period of 5 (five) consecutive years with effect from 08 August 2023;

**RESOLVED FURTHER THAT** the Board of Directors and the Company Secretary of the Company be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**By Order of the Board of Directors**

**Sd/-**

**Koushik Ranjan Saha**

**Company Secretary**

**ACS: 35429**

**Place: Kolkata**

**Date: 10 August, 2023**

#### NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, (“the Act”) setting out material facts relating to Special Businesses under Item No. 3 of the Notice to be transacted at the 28<sup>th</sup> AGM is annexed hereto. The recommendation of the Board of Directors of the Company (the “Board”) in terms of Regulation 17(11) of the Listing Regulations is also provided in the said Statement.
2. Pursuant to the Circulars No. 14/2020, No. 17/2020, No. 20/2020, No. 02/2021 dated April 8, 2020, April 13, 2020, May 5, 2020 and January 13, 2021 respectively and General Circular No. 10/2022 dated December 28, 2022 and other applicable circulars, (hereinafter, collectively referred as the “MCA Circulars”) the Ministry of Corporate Affairs (the “MCA”) has permitted companies to conduct their annual general meetings through

Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), which does not require physical presence of the Members, Directors, Auditors and other persons at common venue. In compliance with the provisions of the Act, Listing Regulations and MCA Circulars, the 28th AGM of the Company is being conducted through VC / OAVM facility. The deemed venue for the 28th AGM shall be the Corporate Office of the Company situated at Ruby House, 8 India Exchange Place, 2nd Floor, Kolkata – 700 001. Hence Members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participating in the meeting through VC/OAVM is given in the Notice under Note No. 25.

3. The 28th AGM of the Company is being convened through VC/OAVM in compliance with the applicable provisions of the Act, Listing Regulations and read with all the applicable MCA and SEBI Circulars.
4. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of the Listing Regulations, Secretarial Standards on General Meeting (SS-2) issued by the Institute of Company Secretaries of India and the MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM and facility for those Members participating in the AGM to cast vote through e-Voting system during 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. NSDL will be providing facility for voting through remote e-Voting, for participation in the 28th AGM through VC/OAVM facility and e-Voting during the 28th AGM. The instructions and other information relating to e-Voting are given in the Notice under Note No. 25.
5. In terms of the MCA Circulars, since the physical attendance of Members has been dispensed with, there is no requirement for the appointment of proxies. Accordingly, the facility to appoint proxies to attend and cast vote for the Members is not available for this AGM. However, in pursuance of Section 113 of the Act, and rules made thereunder, the Members who are Body Corporate(s) are entitled to appoint their authorised representatives to attend the AGM through VC/OAVM and participate and cast their votes through remote e-Voting and e-Voting during the 28th AGM of the Company.
6. Institutional / 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., with attested specimen signature of the duly authorized signatory(ies) authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-Voting and e-Voting during AGM, to the Scrutinizer by email through its registered email address to rajagshosh2002@gmail.com with a copy marked to ksaha@himadri.com and evoting@nsdl.co.in.
7. The quorum for the AGM, as provided in Section 103 of the Act, is five (5) members (including a duly authorized representative of a body corporate) and the members present in the meeting through VC/OAVM shall be counted for the purpose of quorum pursuant to MCA Circulars and other applicable circulars.
8. The Register of Members and Share Transfer Books of the Company shall remain closed from 13 September 2023 to 19 September 2023 (both days inclusive) for the purpose of the AGM.
9. **Dispatch of Annual Report through E-mail**  
In accordance with the MCA Circulars and Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 issued by SEBI, the Notice of the 28th AGM along with the Annual Report of the Company for the financial year ended 31 March 2023 are being sent only through electronic mode (e-mail) to those Members whose email addresses are registered with the Company or the Registrar and Share Transfer Agent (the “RTA”) or with their respective Depository Participant/s (DPs).  
Members may note that the Notice and Annual Report for the financial year ended 31 March 2023 is also available on the Company’s website [www.himadricredit.in](http://www.himadricredit.in) and the AGM Notice is also available on the website of NSDL (agency for providing the remote e-Voting facility) at [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The Company will also be sending printed copies of the Annual Report 2022-23 to the shareholders on receipt of specific request.  
We urge the shareholders for registration and/ or updation of their email id, Permanent Account Number (PAN) and bank mandate with the Company to ensure receipt of Annual Report, dividend and/or any other consideration and other communication timely, faster and easier.

Accordingly, to update the details with the Company, the following procedure may be followed:

Updating/Registration	Procedure
Email Id & PAN	<p><b>Physical Holding:</b> An email requesting for updation/ registration of email id with a copy of PAN card and mentioning folio number may be send to the Company's email id at himadri@hcfl.com or, Company's RTA email id at skcdilip@gmail.com.</p>
	<p><b>Demat Holding:</b> Update the email id / PAN through your Depository Participants (DPs).</p>
Bank Mandate	<p><b>Physical Holding:</b> An email requesting for updation/ registration of Bank Mandate with a copy of PAN card, cancelled cheque with name printed on cheque, copy of share certificate or any letter received from Company or dividend warrant where folio number is mentioned may be send to the Company's email id at himadri@hcfl.com or, Company's RTA email id at skcdilip@gmail.com.</p>
	<p><b>Demat Holding:</b> Update the Bank mandate through your Depository Participants (DPs).</p>

The Company has also issued public notice urging the shareholders for registration and/or updation of their email id, Permanent Account Number (PAN) and bank mandate with the Company to ensure receipt of Annual Report, dividend and/or any other consideration and other communication timely, faster and easier and more importantly avoids fraudulent encashment of warrants.

10. Members may please note that in view of the proviso to Regulation 40(1) of the Listing Regulations, securities of listed companies can be transferred only in dematerialised form (DEMAT) with effect from 1 April 2019. Dematerialisation of shares would help to eliminate risks associated with Physical Shares. In this regard, SEBI has clarified by a Press Release No. 12/2019 dated 27 March 2019, that the said amendments do not prohibit an investor from holding the shares in physical mode and the investor has the option of holding shares in physical mode even after 1 April 2019. However, any investor who is desirous of transferring shares (which are held in physical

mode) after 1 April 2019 can do so only after the shares are dematerialized.

11. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants (DPs) with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN to the Company or its RTA.
12. As per the provisions of Section 72 of the Act the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website, www.himadricredit.in. Members are requested to submit the said details to their Depository Participants (DPs) in case the shares are held by them in electronic form and to the RTA in case the shares are held in physical form.
13. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/ CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website, www.himadricredit.in.
14. Members who hold shares in physical form in multiple folios in identical names or joint names in the same order of names are requested to send the share certificates to the Company's RTA for consolidation into single folio.
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 RTA, **M/ S K Infosolutions Pvt. Ltd., D/42, Katju Nagar Colony, Ground Floor, Near South City Mall, PO & PS - Jadavpur, Kolkata - 700 032** through email at skcdilip@gmail.com in case the shares are held in physical form and to the Depository Participants (DPs) in case of shares held in electronic form.

16. Non-Resident Indian Members are requested to inform Company's RTA, M/s S. K. Infosolutions Pvt. Ltd., D/42, Katju Nagar Colony, Ground Floor, Near South City Mall, PO & PS - Jadavpur, Kolkata - 700 032, email: skcdilip@gmail.com, immediately of :
- Change in their residential status on return to India for permanent settlement.
  - Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
17. The Board has appointed CS Rajarshi Ghosh, Practising Company Secretary (FCS: 12595; C.P. 8921), as the Scrutinizer to scrutinize the remote e-Voting process and also e-Voting during the meeting in a fair and transparent manner. The Scrutinizer shall after the conclusion of e-Voting at the 28th AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting system and shall make a consolidated Scrutinizer's Report.
18. The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.himadricredit.in](http://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. Recorded transcript of the meeting shall be uploaded on the website of the Company and the same shall also be maintained in safe custody of the Company.
20. The scanned copies of the relevant documents referred to in the accompanying notice/explanatory statement will be made available at [www.himadricredit.in](http://www.himadricredit.in) for inspection by the Members at the AGM, up to the date of this AGM.
- During the AGM, the scanned copy of Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act and the Memorandum and Articles of Association of the Company shall be available for inspection upon login to NSDL e-Voting system at <https://www.evoting.nsdl.com>.
21. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with the Company's RTA/ Depositories for receiving all communications including Annual Reports, Notices, Circulars etc. from the Company electronically.
22. 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. The Members may contact at Email id: [hcfl@himadri.com](mailto:hcfl@himadri.com); Phone No.: 033-2230 9953.
23. Details as required under Regulation 36(3) of the Listing Regulations and Revised Secretarial Standards on General Meeting (SS-2) with respect to Director seeking appointment/re-appointment at ensuing AGM is given in the Annexure- I to this Notice.
24. Since the AGM will be held through VC / OAVM facility, the Attendance slip and Route Map are not annexed to this Notice.
- 25. Conduct of AGM through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM) facility.**
- A. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**
- The Members are requested to join the 28th AGM through VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting i.e 11:00 a.m. (IST) by clicking on the link <https://www.evoting.nsdl.com> under Members login, where the EVEN of the Company will be displayed, by using the remote e-Voting credentials and the same shall be kept open throughout the meeting. The Members are also requested to follow the procedure mentioned in these notes.
  - The facility of participation at the AGM through VC/OAVM will be made available first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
  - In line with the MCA Circulars, the Notice calling the 28th AGM has been uploaded on the website of the Company at [www.himadricredit.in](http://www.himadricredit.in) and is also available on the website of NSDL (agency for providing the remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-Voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the

User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

- v. Members who would like to express their views or ask questions during the 28th AGM of the Company will be required to register themselves as a speaker by sending e-mail to the Company Secretary at [hcfl@himadri.com](mailto:hcfl@himadri.com) from their registered e-mail address mentioning their name, DP ID and Client ID number/folio number, email id, mobile number. Only those members who have registered themselves as speaker by 4 p.m. (IST) on 15 September 2023 will be able to speak at the meeting.

Further, Members who would like to have their questions/queries responded to during the AGM are requested to send such questions/queries in advance within the aforesaid date and time, by following the similar process as stated above.

- vi. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- vii. When a pre-registered speaker is invited to speak at the meeting, but he/she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/camera along with good internet speed. Please note that Members connecting from mobile devices or tablets or through laptops etc connecting via mobile hotspot, may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- viii. Members desiring any information regarding the Financial Statements of the Company to be placed at the AGM are requested to write to the Company through email on [hcfl@himadri.com](mailto:hcfl@himadri.com) latest by 4 p.m. (IST) on 01 September 2023 so as to enable the management to keep the information readily available at the meeting.
- ix. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at [hcfl@himadri.com](mailto:hcfl@himadri.com). The same will be replied by the Company suitably.
- x. The Company reserves the right to restrict the number of questions and number of speakers,

as appropriate, for smooth conduct of the AGM.

- xi. In addition, the facility for voting through electronic voting system shall also be made available during the AGM. Members attending the AGM who have not casted their vote by remote e-Voting shall be eligible to cast their vote through e-Voting during the AGM. After the members participating through VC/OAVM facility, eligible and interested to cast votes, have casted their votes, the e-Voting will be closed with the formal announcement of the closure of the 28th AGM of the Company.
  - a. la. Institutional Investors who are Members of the Company, are encouraged to attend and vote in the 28th AGM of the Company through VC/OAVM facility.
  - b. Members who need assistance before or during the AGM with use of technology, can:
    - Send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or use Toll free no.: 1800-222-990.
- xii. The Members who have casted their vote by remote e-Voting prior to the AGM may also attend / participate in the AGM through VC / OAVM, but shall not be entitled to cast their vote again.

#### B. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING AGM ARE AS UNDER:

- i. The remote e-Voting period shall begin at 09:00 a.m. (IST) on **15 September 2023 and ends at 5:00 p.m. (IST) on 18 September 2023**. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. **12 September 2023**, 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.
- ii. 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. **12 September 2023**. 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 becomes Member of the Company after dispatch of the Notice and holding shares as of the **cut-off date** i.e. **12 September 2023**, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**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: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for individual shareholders holding securities in demat mode**

In terms of SEBI Circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants (DPs). Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a personal computer or on a mobile. On the e-Services home page click on the “ <b>Beneficial Owner</b> ” icon under “ <b>Login</b> ” which is available under ‘ <b>IDeAS</b> ’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “ <b>Access to e-Voting</b> ” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to <b>e-Voting website of NSDL</b> for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> . Select “ <b>Register Online for IDeAS Portal</b> ” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a> .
	3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “ <b>Login</b> ” which is available under ‘ <b>Shareholder/Member</b> ’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	4. Shareholders/Members can also download NSDL Mobile App “ <b>NSDL Speede</b> ” facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>    </div>

Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon & New System Myeasi Tab and then user your existing my easi username & password.
	<p>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</p> <p>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DPs)	You can also login using the login credentials of your demat account through your respective Depository Participants (DPs) registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for individual shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000.
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33.

**B) Login Method for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Login to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com/> either on a personal computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

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

4. 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***.

5. Password details for shareholders other than individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) 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.
  - c) 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.**
6. 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.nsd.com](http://www.evoting.nsd.com).
  - b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.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](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically and join Annual General Meeting on NSDL e-Voting system**

### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **Process for those shareholders whose email IDs are not registered with the Depositories for procuring user id and password and registration of e mail 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 the Company's email id at hcfl@himadri.com or, Company's RTA email id at 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 the Company's email id at hcfl@himadri.com or, Company's Registrar and Share Transfer Agent email id at skcdilip@gmail.com If you are an individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **Step 1 (A)** i.e., Login method for e-Voting and joining virtual meeting for individual shareholders holding securities in demat mode.
3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-Voting by providing above mentioned documents.
4. In terms of SEBI Circular dated December 9, 2020, on e-Voting facility provided by Listed Companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants (DPs). Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

### **THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for remote e-Voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice to avoid last minute rush.
2. Members are encouraged to join the meeting through laptops for better experience.
3. Further Members will be required to allow camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

**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](http://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](http://www.evoting.nSDL.com) or call on toll free no.: 022 - 4886 7000 and 022 - 2499 7000 or send a request at [evoting@nSDL.co.in](mailto:evoting@nSDL.co.in).

**Explanatory Statement**

**Pursuant to Section 102 of the Companies Act 2013**

**Item No- 3**

Mr. Santimoy Dey (DIN: 06875452) has been appointed as an Additional Director in the category of Independent Director for a term of 5 (five) consecutive years with effect from 08 August 2023 by the Board of Directors upon recommendation of the Nomination & Remuneration Committee, subject to the approval of the Shareholders.

Pursuant to the provisions of Section 161 of the Act and Articles of Association of the Company, Mr. Dey being Additional Director will hold office upto the date of ensuing Annual General Meeting. Mr. Dey has given his consent to act as an Independent Director of the Company and he has also submitted necessary

declarations to the effect that he meets the criteria for independence as prescribed in Section 149(6) and other applicable provisions of the Act and Regulation 16(1)(b) and other applicable provisions of Listing Regulations.

In terms of Regulation 25(8) of the Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. In the opinion of the Board, he fulfils the condition specified in the Act, rules framed thereunder and the Listing Regulations, for being appointed as an Independent Director and he is independent of the management of the Company.

The Company has also received a declaration to the

effect that Mr. Dey is not disqualified from being appointed as a Director in terms of Section 164 of the Act and he is not debarred from holding the office of Director by virtue of SEBI Order or any other authority, pursuant to SEBI Letter dated June 14, 2018.

The Company has received a notice in writing under the provisions of Section 160 of the Act, from a member proposing her candidature for the office of Director, for a period of five consecutive years with effect from 08 August 2023.

Mr. Santimoy Dey, aged about 65 years, is a Bachelor of Science from Calcutta University and having over decades of experience in the field of Agriculture Marketing Society, Co-operatives and Agricultural Practices. He is trained on Business Development Project in PACS, Business of Fertilizers & others, Diversifications strategies towards viability of PACS/LAMS/PSFSS. He has 10 years' experience as Chairman cum Chief Executive of Haripal Thana Large Sized Primary Agricultural Marketing Society Limited, 42 years as Director and 25 years' experience as Secretary cum Chief Executive including deposit mobilisation of Kaikala Ichhapur S.K.U.S Ltd. Mr. Dey was also a Trustee of Iffco Kishan Seva Trust, New Delhi (for 25 years) and CORDET IFFCO (for 20 years) and "INDIRA Trust"- Educational Trust (for 15 years), Member of Management Committee of CORDET, Kalol, Gujrat, Member of General Body of IFFCO & NAFED, New Delhi. Cabinet Member of International Lions Club, President Dhaniakhali Lions Club J.M.C.H.C Hospital. Currently Mr. Dey is associated with Panisheola Indira Smriti Vidyapith as Working President.

The Board based on the recommendation of Nomination and Remuneration Committee considers that Mr. Dey is a person of integrity and has relevant experience and expertise to be appointed as Independent

Director of the Company, for the aforesaid term and his association with the Company as an Independent Director would be beneficial to the Company. The Board, based upon his declaration of Independence and declaration of compliance under Rule 6 (1) and (2) of the Companies (Appointment and Qualification of Directors) Rules, 2014 regarding inclusion of his name in data bank for Independent Directors maintained by the Indian Institute of Corporate Affairs is of opinion that he fulfils the conditions specified in the Act and the Rules made thereunder and Listing Regulations for the appointment as an Independent Director.

Mr. Dey will be entitled to receive remuneration by way of sitting fees for attending each meeting of the Board and Committees thereof and /or for any other services whatsoever as may be decided by the Board from time to time, and reimbursement of expenses for participating in the Board and other meetings.

A Copy of draft letter of appointment of Mr. Dey as an Independent Director setting out the detailed terms and conditions would be available for inspection by Members at the website of the Company i.e., [www.himadricredit.in](http://www.himadricredit.in) until the date of the ensuing Annual General Meeting.

Except Mr. Dey, being the appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution.

The Board recommends passing of the Resolution as set out under Item No.3 of this Notice for approval by the Members of the Company as a Special resolution. Brief Profile of Mr. Dey pursuant to para 1.2.5 of SS-2 ("Revised Secretarial Standard on General Meetings"), Regulation 36(3) of the SEBI Listing Regulations and other applicable provisions, is annexed as Annexure-I to the Explanatory Statement.

**ANNEXURE-I**

Details of the Director seeking appointment/ re-appointment at the ensuing Annual General Meeting pursuant SS-2 and Regulation 36(3) of the Listing Regulations

Name of Director	(1)	(2)
		<b>Mr. Amit Choudhary</b>
<b>Designation/ Category of the Director</b>	Non-executive Director	Independent Director
<b>DIN</b>	00152358	06875452
<b>Date of Birth / Age</b>	22.11.1975 (47 years)	05.07.1958 (65 years)
<b>Date of first appointment on the Board</b>	09.08.2022	08.08.2023
<b>Qualifications</b>	B. Com (Hons)	B.Sc
<b>Experience (approx.)</b>	22 years	40 years
<b>Nature of Expertise and Brief resume.</b>	Mr. Amit Choudhary is a commerce graduate from the Calcutta University. Under his supervision, there has been multifold capacity expansion across all businesses. He also mentors the Human Resource function of the Group in building a proud Himadrian team.	Mr. Santimoy Dey, having over decades of experience in the field of Agriculture Marketing Society, Co-operatives and Agricultural Practices. He is trained on Business Development Project in PACS, Business of Fertilizers & others, Diversifications strategies towards viability of PACS/LAMS/PSFSS. Currently Mr. Dey is associated with Panisheola Indira Smriti Vidyapith as Working President.
<b>Terms and conditions of appointment or re-appointment</b>	Director liable to retire by rotation.	Proposed to be appointed as an Independent Director for a period of five years not liable to retire by rotation.
<b>Details of remuneration sought to be paid</b>	No remuneration is paid	Eligible to receive sitting Fees as per the terms and conditions for the appointment of the Independent Directors of the Company.
<b>Remuneration last drawn</b>	NIL	NA
<b>Number of Board Meetings attended during the financial year 2022-23</b>	3	NA
<b>Relationship with other Directors &amp; KMP</b>	Mr. Anurag Choudhary, Managing Director- Brother	NIL
<b>Shareholding in the Company</b>	70,100	NIL

<p><b>Directorship in other Companies including listed entities</b></p>	<ul style="list-style-type: none"> <li>- Himadri Speciality Chemical Limited</li> <li>- Himadri Credit &amp; Finance Limited</li> <li>- AAT Techno Info Private Limited</li> <li>- Raghu Management Private Limited</li> <li>- Raghupati Consultants Private Limited</li> <li>- Salasar Management Private Limited</li> <li>- Sampoorna Merchandise Private Limited</li> <li>- Next Generation Condominiums Private Limited</li> <li>- Pujita Merchandise Private Limited</li> <li>- Perfect Hi-Rise Private Limited</li> <li>- Anatahan Infrastructure Private Limited</li> <li>- Peaklevel Infrastructure Private Limited</li> <li>- Modern Hi-Rise Private Limited</li> <li>- Sri Agro Himghar Limited</li> <li>- Next Generation Traders Private Limited</li> <li>- Himadri Li Recycle Limited</li> <li>- Himadri Clean Energy Limited</li> <li>- Himadri Future Material Technology Limited</li> <li>- Himadri Anoin Limited</li> </ul>	<ul style="list-style-type: none"> <li>- Himadri Speciality Chemical Limited</li> <li>- IFFCO- Tokio Insurance Services Limited</li> </ul>
<p><b>Chairman/ Member of the Committee of Board of other companies</b></p>	<p>NIL</p>	<ul style="list-style-type: none"> <li>- Himadri Speciality Chemical Ltd:</li> <li>- Audit Committee-Member</li> <li>- Stakeholders Relationship Committee- Chairman</li> <li>- Nomination &amp; Remuneration Committee - Member</li> <li>- Corporate Social Responsibility Committee- Chairman</li> <li>- Risk Management Committee-Member</li> </ul>
<p><b>Listed entity from which resigned in the past 3 years</b></p>	<p>NIL</p>	<p>NIL</p>
<p><b>Specific Functional Area</b></p>	<p>Expansions and implementation activities within the group.</p>	<p>Finance, Risk and Compliance</p>

Listed entity for which resigned in the past 3 years	NIL	NIL
In the case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements.	Not Applicable	The Board has a defined list of core skills/expertise/competencies, in the context of its business and sector for it to function effectively. The Nomination and Remuneration Committee of the Board has evaluated the profile of Mr. Dey and concluded that Mr. Dey possesses the relevant skill and capabilities to discharge the role of Independent Directors.

Place: Kolkata  
Date: 10 August, 2023

By Order of the Board of Directors  
Sd/-  
Koushik Ranjan Saha  
Company Secretary  
ACS : 35429

# BOARD'S REPORT

## Dear Shareholders,

Your Board of directors ("the Board") take pleasure in presenting the Board's Report as a part of the 28<sup>th</sup> Annual Report of your Company ("the Company" or "HCFL"), together with the Audited Financial Statements and the Auditors' Report thereon for the financial year ended 31 March 2023.

## 1. STATE OF AFFAIRS OF THE COMPANY

The financial performance of the Company for the financial year ended 31 March 2023 as compared to the previous financial year are summarised as under:

Particulars	Amount in ₹ Lakhs	
	For the year ended 31.03.2023	For the year ended 31.03.2022
Revenue from operations	211.45	224.14
Other Income	0.12	-
<b>Total Income</b>	<b>211.57</b>	<b>224.14</b>
Less: Total Expenditure	37.89	58.47
<b>Profit before tax</b>	<b>173.68</b>	<b>165.67</b>
Less: Tax Expenses		
- Current Tax	51.67	41.55
- Deferred Tax	(13.28)	(8.31)
- Income tax for earlier year	0.56	-
<b>Profit after tax</b>	<b>134.73</b>	<b>132.43</b>

## 2. YEAR IN RETROSPECT

The Company is involved in non-banking financial activities and during the year the Company earned a total revenue from operations of ₹ 211.45 lakhs for the year ended 31 March 2023 as against ₹224.14 lakhs for the year ended 31 March 2022 and profit after tax was ₹ 134.73 lakhs for the year ended 31 March 2023 as against profit of ₹132.43 lakhs for the year ended 31 March 2022. Your directors are optimistic for achieving better results by optimum utilisation of the available resources.

## 3. DIVIDEND

In order to conserve resources for future operations, no Dividend has been recommended by the Board for the financial year 2022-23.

## 4. SHARE CAPITAL

The paid up Equity Capital as on 31 March 2023 was ₹ 3,00,02,000/- consisting of 30,00,200 equity shares of ₹ 10/- each. During the financial year, there

is no change in paid up capital of the Company. The Company has neither issued any shares with differential voting rights nor granted stock options or sweat equity shares.

## 5. RESERVES

During the year, ₹ 26.95 lakhs was transferred to reserves u/s 45-IC of the Reserve Bank of India Act, 1934.

## 6. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

During the financial year 2022-23, Mr. Bankey Lal Choudhary, Managing Director (DIN: 00173792) and Mr. Tushar Choudhary, Non-Executive Director (DIN: 00174003) have resigned from Directorship of the Company with effect from 08 July 2022 due to personal reason. The Board places on record its appreciation for the services and contributions made by them.

During the year, the Board of the Company (based on the recommendation of Nomination & Remuneration Committee) at its meeting held on 09 August 2022, has designated Mr. Anurag Choudhary (DIN: 00173934) as Managing Director of the Company w.e.f. 09 August 2022 for a period of five years. The Shareholders of the Company has approved the said appointment with an overwhelming majority at the 27<sup>th</sup> Annual General Meeting (AGM) of the Company held on 30 September 2022.

Further, based on the recommendation of Nomination & Remuneration Committee, the Board of the Company at its meeting held on 09 August 2022 has appointed Mr. Amit Choudhary (DIN: 00152358), as a Non-Executive Director of the Company w.e.f. 09 August 2022. The Shareholders of the Company has approved the said appointment with an overwhelming majority at the 27<sup>th</sup> AGM of the Company held on 30 September 2022.

The shareholders of the Company, through Postal Ballot dated 16 December 2022 approved the re-appointment of Mr. Santosh Kumar Agrawala (DIN: 00364962) and Ms. Sucharita Basu De (DIN: 06921540), as Independent Directors of the Company for a second consecutive term of 5 years w.e.f 09 August 2022.

During the financial year 2022-23, the constitution of the Board complies with the requirements of the Act and the SEBI Listing Regulations.

There was no change in Key Managerial Personnel of your Company during the financial year 2022-23 other than disclosed above.

- **Re-classification of Promoter/Promoter Group**

The Board of Directors at its meeting held on 18 October 2022 had approved request from Mr. Vijay Kumar Choudhary, Mr. Tushar Choudhary, Ms. Sushila Devi Choudhary, Ms. Saroj Devi Choudhary, Ms. Swaty Choudhary, Ms. Kanta Devi Choudhary, Damodar Prasad Choudhary & Others, Bankey Lal Choudhary & Others and Vijay Kumar

Choudhary & Others ('Outgoing Promoters') for reclassification from 'Promoter/Promoter Group' to 'Public Category' in accordance with Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Thereafter, shareholders of the Company through Postal Ballot dated 16 December 2022 approved the reclassification. The application for reclassification is pending with Calcutta Stock Exchange for its approval.

- **Director retiring by rotation**

As per the provisions of the Section 152(6) of the Companies Act, 2013 ("Act") and in terms of the Memorandum and Articles of Association of the Company, Mr. Amit Choudhary (DIN: 00152338), Non Executive Director of the Company retires from the Board by rotation at the ensuing AGM of the Company and being eligible offers himself for re-appointment. In view of his considerable experience, the Board recommends the said re-appointment at the 28<sup>th</sup> AGM.

Further, the brief resume and other details relating to the Director seeking re-appointment, as stipulated under Regulation 36 of the Listing Regulations and Secretarial Standard 2, are provided in the Notice convening the 28<sup>th</sup> AGM.

None of the Directors of your Company is disqualified under the provisions of Section 164(2) of the Act. A certificate dated 20 May 2023 received from Mr. Rajarshi Ghosh, Company Secretary in Practice (CP No. 8921) certifying that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by Securities Exchange Board of India ("SEBI")/ Ministry of Corporate Affairs or such statutory authority is annexed to the Corporate Governance Report.

Details pertaining to the remuneration of KMPs employed during the year is provided in the Annual Return. During the year under review, none of the Directors of the Company is disqualified as per the applicable provisions of the Act.

## 7. MEETINGS OF THE BOARD

The Board met 6 (Six) times during the financial year 2022-23. The composition of Board and Committees along with the dates of meetings of the Board and its Committees and attendance of each of the Directors thereat are provided separately in the Corporate Governance Report.

The maximum gap between two Board Meetings held during the year was not more than 120 days.

## 8. SEPARATE MEETING OF INDEPENDENT DIRECTORS

Schedule IV of the Act and Regulation 25(3) of the 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 2022-23, 1 (One) separate meeting of Independent Directors was held on 10 February 2023 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 assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board.

## 9. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3)(c) read with Section 134(5) of the Act and as per Schedule II Part C(A)(4)(a) of the Listing Regulations, the Board states the following for the year ended 31 March 2023—

- a. In the preparation of annual accounts for the year ended 31 March 2023, the applicable accounting standards have been followed along with the proper explanation relating to material departures;
- 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 at 31 March 2023 and of the profit & loss 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 Companies Act, 2013 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 going-concern basis;
- e. 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; and
- 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.

## 10. DECLARATION FROM INDEPENDENT DIRECTORS

During the financial year 2022-23, the Independent Directors of the Company have given necessary declarations regarding their independence to the Board as stipulated in Section 149(6) & 149(7) of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) and 25(8) of the Listing Regulations.

In the opinion of the Board, all the Independent Directors fulfil the conditions specified in the Act with regard to integrity, expertise and experience (including the proficiency) of an Independent Director and are independent of the management.

## 11. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY & CHANGE IN THE NATURE OF BUSINESS

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

During the year under review, there was no change in the nature of the Company.

## 12. NOMINATION & 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 Act, and in terms of Regulation 19 read with Part D of Schedule II of the Listing Regulations. The Company's Policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters is available on Company's website at <http://himadricredit.in/>.

### 13. 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 Act read with the Rule 7 of Companies (Meeting of the Board and its Powers) Rules, 2014 and Regulation 22 of the Listing Regulations. 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/>.

### 14. PUBLIC DEPOSIT

During the financial year 2022-23, the Company has not accepted any deposits from the public within the meaning of Section 73 and 74 of the Act, therefore the disclosure pursuant to Rule 8(5) (v) & (vi) of the Companies (Accounts) Rules, 2014, is not applicable to the Company.

### 15. AUDITORS AND AUDITOR'S REPORT

#### • STATUTORY AUDITORS

M/s S Jaykishan, Chartered Accountants (FRN:309005E), the Statutory Auditors of the Company were re-appointed at the 26<sup>th</sup> AGM held on 22 September 2021 for a second term of 5 (Five) years commencing from the conclusion of the 26<sup>th</sup> AGM till the conclusion of the 31<sup>st</sup> AGM of the Company to be held in the year 2026.

The Report given by the Statutory Auditors of the Company for the financial year 2022-23 is a part

of the Annual Report and there is no qualification, reservation, adverse remark, or disclaimer given by the Auditors in their Report. The Auditors of the Company have not reported any fraud in terms of the second proviso to Section 143(12) of the Act.

#### • SECRETARIAL AUDITOR

Pursuant to provisions of Section 204 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Board based on the recommendation of the Audit Committee has appointed Mr. Rajarshi Ghosh (CP No. 8921), Practising Company Secretary, to conduct Secretarial Audit for financial year 2022-23. The Secretarial Audit Report, pursuant to Section 204(1) of the Act for the financial year ended 31 March 2023 is given in **Annexure I** attached hereto and forms part of this Report.

The Company has undertaken an Annual Secretarial Compliance Audit for the financial year 2022-23 pursuant to Regulation 24A (2) of the Listing Regulations. The Annual Secretarial Compliance Report for the financial year ended 31 March 2023 has been submitted to the Stock Exchange and the said Report may be accessed on the Company's website i.e., <http://himadricredit.in/>.

### 16. EXPLANATION OR COMMENTS BY THE BOARD ON THE QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY THE SECRETARIAL AUDITOR

The observations/qualifications of the Secretarial Auditor in their Secretarial Audit Report for the financial year ended 31 March 2023 forming part of the Annual Report are self-explanatory. Their observations/qualifications and the explanation/comments/reply of the management is given in **Annexure II** attached hereto and forms a part of this Report.

### 17. ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3) (a) of the Act, the Annual Return as on 31 March 2023 is available on the website of the Company at <http://himadricredit.in/>.

The annual return uploaded on the website is a draft in nature and the final annual return shall be uploaded at the same link in the website of the Company once the same is filed with Ministry of Corporate Affairs after the AGM.

## **18. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

The Company, being a non-banking finance Company registered with the Reserve Bank of India is exempted from complying with the provisions of Section 186 of the Act. The details of loans granted, and investments made during the year, covered under the provisions in the notes to the financial statements of the Company forming part of this Annual Report.

## **19. PARTICULARS OF REMUNERATION OF MANAGERIAL PERSONNEL AND EMPLOYEES AND RELATED DISCLOSURE**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given in **Annexure III** enclosed hereto and forms part of this Report. In accordance with the provisions of the Section, the names and other particulars of employees form part of this Report. However, in line with the provisions of Section 136(1) of the Act, the Report and Accounts as set out therein, are being sent to all Members of your Company, excluding the aforesaid information. Any Member, who is interested in obtaining these particulars, may write to the Company Secretary of the Company.

## **20. 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 of the Company and its' operation in future.

During the year under review, no Corporate Insolvency Resolution application was made, or proceeding was initiated, by/against the Company

under the provisions of the Insolvency and Bankruptcy Code, 2016 (as amended). Further, no application/proceeding by/against the Company under the provisions of the Insolvency and Bankruptcy Code, 2016 (as amended) is pending as on 31 March 2023.

## **21. PARTICULARS OF CONTRACTS & ARRANGEMENTS WITH RELATED PARTIES**

The related party transactions entered into by the Company during the financial year 2022-23 were in ordinary course of business and on arm's length basis. Further, 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.

There have been no materially significant related party transactions entered into by the Company which may conflict with the interests of the Company at large.

The details of the transaction with related parties during FY 2022-23 are provided in the accompanying financial statements.

The Policy on materiality of related party transactions and on dealing with related party transactions as approved by the Board in terms of Regulation 23 of the Listing Regulations can be accessed on the Company's website i.e., <http://himadricredit.in/>.

## **22. 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 2022-23, no company has become or ceased to be subsidiary, joint venture or associate of the Company.

## 23. RISK MANAGEMENT POLICY

The Company has a Policy on Risk Management to identify various kinds of risks in the business of the Company. The Board review the Policy from time to time and take adequate steps to minimize the risk in the business. There are no such risks, which, in the opinion of the Board, threaten the existence of the Company. However, some of the risks which are inherent in the business and the type of industry in which it operates are elaborately described in the Management Discussion and Analysis forming part of the Annual Report.

## 24. 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 Act read with the Companies (Accounts) Rules, 2014 is not applicable on the Company. The foreign exchange earnings and outgo remained Nil during the year under review.

## 25. 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. The Internal Audit of the Company for the financial year 2022-23 was carried out by M/s Choudhary Rajesh Kumar & Co., Chartered Accountants. The Audit Committee regularly interacts with the Internal Auditors, the Statutory Auditors and Senior Management of the Company responsible for financial management and other affairs. The Audit Committee evaluates the internal control systems and checks & balances for continuous updation and improvements therein. The Audit Committee also regularly reviews and monitors the budgetary control system of the Company as well as the system for cost control, financial controls, accounting controls, etc. The Audit Committee regularly observes that proper internal financial controls are in place including with reference to financial statements. During

the year, such controls were reviewed, and no reportable material weakness was observed.

## 26. CORPORATE SOCIAL RESPONSIBILITY

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

## 27. DEMATERIALISATION OF SHARES

There were 19,74,100 equity shares of the Company held by the shareholders in dematerialised form as on 31 March 2023, representing 65.80% of the total paid-up share capital of the Company consisting of 30,00,200 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 Depository Participants (DPs).

## 28. 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 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 28<sup>th</sup> AGM of the Company shall 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.

## 29. 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 ("POSH 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.

### 30. MANAGEMENT DISCUSSION AND ANALYSIS

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

### 31. CORPORATE GOVERNANCE

In terms of the provisions of Regulation 34(3) of the Listing Regulations, the Corporate Governance Report together with a certificate from Mr. Rajarshi Ghosh (CP No. 8921), Practicing Company Secretary confirming compliance, is annexed herewith and marked as **Annexure V** forming part of this Report.

### 32. LISTING ON STOCK EXCHANGE

The Company's equity shares are listed at The Calcutta Stock Exchange Limited. The Company has paid the annual listing fees to the Stock Exchange.

### 33. ANNUAL EVALUATION OF THE PERFORMANCE

Pursuant to the provisions of the Act and the Listing Regulations, the Independent Directors at their meeting have evaluated the performance of Non-Independent Directors after considering the views of the Executive and Non-Executive Directors, Board as a whole and assessed the quality, quantity and timeliness of flow of information between the Company's Management and the Board.

Further, the Board, upon recommendation of the Nomination and Remuneration Committee and as per the criteria and manner provided for the annual evaluation of each member of the Board and its Committees, has evaluated the performance of the entire Board, its Committees and individual directors. During the financial year 2022-23, all the members of the Board and its Committees met the criteria of performance evaluation as set out by the Nomination and Remuneration Committee.

### 34. MAINTENANCE OF COST RECORDS

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

### 35. COMPLIANCE OF SECRETARIAL STANDARDS

The Company has complied with applicable Secretarial Standards issued by the Institute of Company Secretaries of India during the financial year.

### 36. GREEN INITIATIVES & ACKNOWLEDGEMENT

As a responsible corporate citizen, the Company supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report etc. to Members at their e-mail address registered with the Depository Participants ("DPs") and RTAs. To support the 'Green Initiative', Members who have not registered their email addresses are requested to register the same with the Company's Registrar and Share Transfer Agent ("RTAS")/Depositories for receiving all communications, including Annual Report, Notices, Circulars, etc., from the Company electronically.

Pursuant to the MCA Circular No. 10/2022 dated 28 December 2022 and SEBI Circular dated 05 January 2023, the Annual Report of the Company for the financial year ended 31 March 2023 including therein the Audited Financial Statements for the financial year 2022-23, are being sent only by email to the Members.

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/-  
Anurag Choudhary  
Managing Director  
(DIN: 00173934)

Sd/-  
Amit Choudhary  
Director  
(DIN: 00173732)

Place: Kolkata

Date: 26 May, 2023

**Annexure I of the Board's Report****FORM NO. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

*[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.**  
Kolkata

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HIMADRI CREDIT & FINANCE LTD (CIN: L65921WB1994PLC062875)** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

The Company's Management is responsible for preparation and maintenance of secretarial and other records and for devising proper systems to ensure compliance with the provisions of applicable laws and Regulations.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the financial year ended on 31 March, 2023 ("the Audit Period") 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 maintained by the Company for the financial year ended on 31 March, 2023, to the extent applicable, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;
- iii) The Depositories Act, 1996 and 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 & Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI, to the extent applicable:
  - a) The Securities & Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - b) The Securities & Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
  - c) The Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
  - d) The Securities & Exchange Board of India (Buy-back of Securities) Regulations, 2018;
  - e) The Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - f) The Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - g) The Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - h) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - 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 namely:
  - a) All the Rules, Regulations, Directions, Guidelines and Circulars issued by the Reserve

Bank of India applicable to Non-Deposit Accepting Non-Banking Financial Companies which are specifically applicable to the Company.

- b) Credit Information Companies (Regulation) Act, 2005 and Rules.

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

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

- (i) *During the Audit Period, the Company has submitted its audited financial results for the quarter and year ended 31 March 2022 to the Stock Exchange on 09 August 2022 whereas pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company was required to submit its audited financial results for the quarter and year ended 31 March 2022 to the Stock Exchange within 60 days from the end of the financial year i.e. on or before 30 May, 2022.*

**I further report that:**

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Director and Independent Directors.
- b) 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.
- c) 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.
- d) 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 during the Audit Period, the Company has not undertaken any specific event / action that can have a bearing on the Company's compliance responsibility in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc., except as follows:

- I. The following special resolutions were passed for:
- (i) Appointment of Mr. Anurag Choudhary (DIN: 00173934) as Managing Director of the Company for the period of 5 (five) years with effect from 09<sup>th</sup> August 2022 to 08<sup>th</sup> August 2027 by the members at the 27<sup>th</sup> Annual General Meeting of the Company held on Friday, the 30<sup>th</sup> September, 2022;
- (ii) Re- appointment of Mr. Santosh Kumar Agrawala (DIN: 00364962) as an Independent Director of the Company for the second term of 5 (five) years with effect from 09<sup>th</sup> August 2022 by the members through resolution passed through Postal Ballot dated 16 December 2022;
- (iii) Re- appointment of Ms. Sucharita Basu De (DIN: 06921540) as an Independent Director of the Company for the second term of 5 (five) years with effect from 09<sup>th</sup> August 2022 by the members through resolution passed through Postal Ballot dated 16<sup>th</sup> December 2022;
- II. The Company has applied to the Stock Exchange for reclassification of the following Outgoing Promoters from "Promoters / Promoter Group" category to "Public" category.

Mr. Bankey Lal Choudhary, Mr. Vijay Kumar Choudhary, Mr. Tushar Choudhary, Ms. Sushila Devi Choudhary, Ms. Saroj Devi Choudhary, Ms. Kanta Devi Choudhary and Ms. Swaty Choudhary, Damodar Prasad Choudhary and Others, Bankey Lal Choudhary and Others, Vijay Kumar Choudhary and others, ("Outgoing Promoters")

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**

**FCS : 12595**

**CP No. : 8921**

**Place: Kolkata**

**Date: 20<sup>th</sup> May, 2023**

**UDIN: F012595E000344201**

## Annexure - I

To  
The Members,  
**Himadri Credit & Finance Ltd**  
Kolkata

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our 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 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 the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of 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 the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Sd/-

**RAJARSHI GHOSH**

FCS : 12595

CP No. : 8921

Place: Kolkata

Date: 20<sup>th</sup> May, 2023 UDIN: F012595E000344201

## Annexure II of the Board's Report

### EXPLANATION OR COMMENTS BY THE BOARD ON THE QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY THE SECRETARIAL AUDITOR

#### Observation:

During the Audit Period, the Company has submitted its audited financial results for the quarter and year ended 31 March 2022 to the Stock Exchange on 09 August 2022 whereas pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company was required to submit its audited financial results for the quarter and year ended 31 March 2022 to the Stock Exchange within 60 days from the end of the financial year i.e. on or before 30 May, 2022.

#### Management Reply:

Due to outbreak of novel coronavirus (COVID-19) and in order to ensure the safety and well-being

of its employees, the Company has been operating intermittently. Further the Company had not been able to conclude the financial results for the quarter ended September 2021, December 2021 and March 2022 despite its best efforts.

Thereafter, the Board of Directors at its meeting held on 09<sup>th</sup> August 2022 had approved the Audited Financial Results for the quarter and year ended 31<sup>st</sup> March 2022, and the Company has submitted the same with the Stock Exchange vide its letter dated 09<sup>th</sup> August 2022.

CSE imposed a fine for such delay in submission of Financial Results for the quarter and year ended 31<sup>st</sup> March 2022 for which the Company has paid the fine on 24<sup>th</sup> August 2022.

## Annexure III of the Board's Report

### Details pursuant to Section 197(12) of the Act read with 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 2022-23:	NIL*
2	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary in the financial year 2022-23:	
	Name	Designation
	Mr. Anurag Choudhary	Managing Director
	Mr. Amit Choudhary	Non-Executive Director
	Mr. Koushik Ranjan Saha	Company Secretary & CFO
	Independent Director (Sitting Fees)	
	Mr. Santosh Kumar Agrawala	Independent Director
	Ms. Sucharita Basu De	Independent Director
<b>Note: Mr. Bankey Lal Choudhary and Mr. Tushar Choudhary, the directors have resigned w.e.f. 08 July 2022.</b>		
3	The percentage increase in the median remuneration of employees in the financial year 2022-23:	20%
4	The number of permanent employees on the rolls of the Company as on 31 March 2023:	5
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 2022-23 was 20% 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.

**Note:** The Independent Directors of the Company are entitled to sitting fees as per the terms approved by the Members of the Company. The criteria of making payments to the Independent Directors and details of remuneration paid to them have been provided in the Corporate Governance Report.

\* No remuneration is paid to any of the Directors of the Company during the financial year 2022-23.

## Annexure IV of the Board's Report

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### (a) 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 is well regulated by the RBI. 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. Non Banking Finance Companies play major role in financing, inspite of presence of large number of Foreign as well as Nationalized Banks in this field, the role of NBFCs is established.

#### (b) Economy Overview

The global economy is currently experiencing a period of slower growth as it gradually recovers from the substantial challenges posed by the Covid-19 pandemic and the Russia-Ukraine conflict. Additionally, central banks across the world are implementing measures to tighten monetary policy in order to address inflation and bring it closer to target levels. According to the International Monetary Fund (IMF), global growth is projected to decelerate from 3.4% in CY2022 to 2.8% in CY2023. Inflation rates are expected to ease, albeit at a slower pace than initially anticipated, declining from 8.7% in CY2022 to 7.0% in CY2023, and further

to 4.9% in CY2024. Over the past decade, there has been a gradual decline in the five-year ahead growth estimates, dropping from 4.6% in CY2011 to 3.0% in CY2023. While part of this deceleration can be attributed to the natural convergence of previously rapidly growing economies. It is important to note that a fragmented and polarised world is unlikely to foster overall progress or effectively address global challenges like climate change and pandemic preparedness.

In the post pandemic period, Indian economy has demonstrated remarkable resilience and achieved significant progress, despite facing challenges such as inflation, supply chain disruptions, and geopolitical tensions. This resulted in a robust recovery in economic activity, particularly in private sector consumption, and increased government focus on infrastructure development. Despite global challenges and tighter domestic monetary policy, India's growth momentum remained steady. Thus showcasing the underlying strength of the country's economy in recovering and revitalising growth drivers. As per International Monetary Fund (IMF), India was among the fastest-growing major economies in CY 2022. India's GDP grew 7.2% during FY 2022-23, slightly above the National Statistical Organization (NSO)'s forecast of 7%. This growth was primarily propelled by a rebound in private consumption along with high capital spending on infrastructure by the Government. A crucial factor behind India's economic growth has been the sustained momentum in export expansion during the first half of FY23. This growth has resulted in an increased share of India's merchandise exports in the global market. As export growth slowed down, a resurgence in domestic consumption gained momentum, further fuelling India's economic growth. Consequently, domestic capacity utilisation has also risen. The capital expenditure (capex) of the central government played a significant role in driving the Indian economy during FY23. Currently, India is on the verge of three-pronged growth drivers – increased Government capex especially on infrastructure, growth in private sector investments as they experience near full capacity utilisation and increased credit financing as the healthy balance sheets will allow banks to lend more. All this will auger well for the Micro, Small and Medium Enterprises.

### (c) Outlook

Despite a softer growth, the Indian economy remains one of the fastest growing economies in the world. The effects of external shocks such as rising global volatility, largely from financial volatility, externs from trade disputes, and investment rerouting was contained in part by India's strong macroeconomic fundamentals. The policy changes including amendments to the policy related to insolvency and bankruptcy, bank recapitalization, and foreign direct investment further helped in coping with the de-growth. The growth trajectory is expected to resume with public policy support and private participation. Reform measures have been made by RBI to ease out liquidity in the markets and to encourage credit inflows via NBFC, HFC, MFIs.

India is expected to experience a slower real GDP growth (relative to FY 2022-23) of 6% in FY 2023-24 according to S&P Global Ratings. The country has recovered quickly from the pandemic, and the growth in the upcoming year will be driven by robust domestic demand and increased capital investment. The Government has raised capital expenditure to offset the private sector's cautious stance on capital expenditure, supported by strong financials and high GST and direct tax collections. Nevertheless, global spill overs, high inflation, and aggressive monetary policies could hinder the steady growth trajectory. Given India's deepening trade and financial linkages with advanced economies, caution is essential. India's growth cycle has exhibited a high degree of synchronization with advanced countries, and it is impossible to avoid the short-term consequences of a potential downturn. Looking ahead, NBFCs are expected to enter FY 2023-24 with strong momentum, as their Assets Under Management (AUM) are predicted to increase by 13-14% – reaching a four-year high. The demand for housing, vehicles, and microfinance will continue to drive AUM growth, although competition from banks and higher borrowing costs could pose challenges. With more robust balance sheets, lower leverage, and steadily improving funding access, NBFCs are well-positioned to capitalize on credit demand, with a strategic focus on non-traditional segments such as unsecured loans, used vehicles, and the MSME sector. The microfinance industry in India holds immense potential and presents a promising future, with its role of catering to the credit needs of low-income households and small businesses. Despite expansion plans being put on hold due to the COVID-19 pandemic, the demand for microfinance is expected to rise as more people seek financial aid. The

total addressable market for MFIs was ₹ 2.6 Trillion in FY 2020-21 for JLG loans and anticipated to grow by 40% by 2025. The growth will be majorly driven by women oriented MSMEs. Microfinance institutions' AUMs are projected to grow by 25-30% in FY 2023-24. In addition, the widespread immunization in the country and the adoption of data-driven customer-centric digital technologies are set to improve the loan experience for customers and lead to paperless lending procedures. Having said this, the outlook for the coming year is expected to be extremely demanding. Overall, the Economic Survey was optimistic about macro-economic stability indicators suggesting that the Indian Economy is well placed to take on the challenges of FY 2023-24.

For FY23, India's economy registered a growth rate of 7.2%. Going forward, India's economy is on track to double its current annual GDP, which stands at approximately US\$3.5 trillion, to reach a significant milestone of US\$7 trillion by the year 2030. However, sustaining consistent high growth over a medium-term time frame will necessitate more than just relying on India's twin strengths of demographics and consumption. The overall loan book of NBFCs is projected to grow by ~13% to reach ₹ 50 Trillion by March 2024. The RBI has been appreciative of the efforts of NBFCs including their efforts towards covering individuals beyond the financial fold. NBFCs are expected to focus upon new business such as unsecured loans and the SME segment which promises a higher growth prospect as compared to the traditional products. Additional funding of ₹ 2.9 to ₹ 3.3 Trillion in FY24 would be required to achieve the projected growth. NBFC-Retail sector AUM is projected to grow at the rate of 12-14% in FY24 and reach ₹ 14.7 Trillion by March 24.

### (d) Opportunities and Threats

#### Opportunities:

Business Opportunities for NBFCs are enormous. As the new areas and segments are being explored, there is a large scope of small size NBFCs like ours, for certain segment of customers, which remain unserved by Banks and large size NBFCs.

India remains one of the fastest growing economies with enhanced credit consumption spend and ever-increasing awareness of digital credit availability. With youth, even mid-aged individuals have become tech-savvy and have started accepting the use of credit. Consumer and MSME financing is growing at a pacy rate and so is the opportunity to tap in their

requirements. Pre-owned cars, digital personal loans, loan against property and business loans opens more diversification opportunities. Technology as seen since history is ever evolving and fast paced and so are the ideas in this age. Partnering with fin-techs, adoption of newer technology will always remain clinical for our organization.

**Threats:**

Due to the global economic conditions, inflation has managed to surge above normal levels. Most of the economists expected a 25bps increase in the repo rate from 6.5% at the start of Q1FY24 but the RBI kept it unchanged and may raise it from 25 bps to 50 bps in the coming quarters. In the short term, this may result in higher borrowing costs and slower credit growth.

The appropriate supervision and regulation of NBFC sector is a prerequisite for India’s overall financial development. Non-bank lenders’ regulatory structure has been changing over time to ensure prudent supervision and regulation. However, unexpected regulatory changes and restrictions, may increase compliance costs and adversely impact the way current products or services are produced or delivered.

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.

The NBFC industry has opened upto many new age fin-techs and startups that have innovative and quickly scalable products. A shift from traditional bank credit to NBFCs open space for new entrants which can mop up a decent market share.

NBFCs rely on external funding to fulfill the financing needs of their customers. A liquidity crunch arising from reduced loan recovery, external funding or other unforeseen events could adversely impact the loan disbursement cycle of the NBFCs leading to subdued performance.

Rising tensions between advanced economies can give rise to political and economic instability and can result in financial fragmentation. This causes commodity prices to rise, eventually driving up inflation and interest rates.

**(e) Segment-wise performance**

The Company is into single reportable segment only.

**(f) 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.

**(g) 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 2022-23 there had been no reportable weakness in the design or operation as observed.

**(h) 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).

**(i) 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.

**(j) Material developments in Human Resources / Industrial Relations front, including number of people employed**

Regular communication with the employees through different forms and frequencies of connects and tried to ensure that the employees were able to focus on their core jobs. A robust Reward & Recognition framework ensured that the performing talent was recognised. Number of employees employed as on March 31<sup>st</sup>, 2023 stood at 5.

**(k) Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios**

There is no such changes.

**(l) details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof**

The same is provided in Financial Statements forming part of Annual Report.

**(m) 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. The Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

## Annexure V of the Board's Report

### CORPORATE GOVERNANCE REPORT

In accordance with Regulation 34(3) read with Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') the details of compliance by the Company with the norms on Corporate Governance are as under:

#### 1. Company's philosophy on Code of Governance

Corporate Governance refers to, but not limited to, a set of laws, regulations and good practices and systems that enable an organisation to perform efficiently and ethically to generate long-term wealth and create value for all its stakeholders. Sound governance practices and responsible corporate behavior contribute to superior long-term performance of an organisation. Corporate Governance is the creation and enhancement of long-term sustainable value for our stakeholders through ethically driven business processes.

Strong leadership and effective Corporate Governance practices have been the Company's hallmark inherited from HCFL's culture and ethos. The Company has a strong legacy of fair, transparent and ethical governance practices.

Corporate Governance requires everyone to raise their level of competency and capability to meet the expectations in managing the enterprise and its resources optimally with prudent ethical standards. The Company recognises that good Corporate Governance is a continuous exercise. Adherence to transparency, accountability, fairness, and ethical standards are an integral part of the Company's function. The Company's structure, business dealings, administration and disclosure practices are aligned to a good Corporate Governance philosophy. The Company has an adequate system of control in place to ensure that the executive decisions taken should result in optimum growth and development, which benefits all the stakeholders. The Company also aims to increase and sustain its corporate values through growth and innovation.

We ensure that we evolve and follow not just the stated Corporate Governance guidelines, but also global best practices. We consider it our inherent responsibility to protect the rights of our shareholders and disclose timely, adequate and accurate information regarding our financials and performance, as well as the leadership and governance of the Company.

The Company conforms to the requirements of the Corporate Governance as stipulated in Part C

of the Schedule V of the Listing Regulations that are implemented in a manner so as to achieve the objectives of the principles stated in the clause with respect to rights of shareholders, role of stakeholders in Corporate Governance, Disclosure and Transparency, responsibilities of the Board and other responsibilities prescribed under these regulations.

A Management Discussion and Analysis Report has been given as a separate Section forming part of the Annual Report.

#### 2. Board of Directors ("Board")

The Company recognizes the importance of a diverse board in its success. The Board is entrusted with the ultimate responsibility of the management, direction and performance of the Company and has been vested with the requisite powers, authorities, and duties. Listing Regulations mandate that the Board of Directors of a listed company shall have an optimum combination of executive and non-executive directors with an least one woman director and not less than fifty percent of the board of directors shall comprise of non-executive directors and for a company with a non-executive chairman, at least one-third of the Board should comprise of independent directors and where the listed company does not have a regular non-executive chairperson, at least half of the Board of Directors shall comprise of independent directors and where the regular non-executive chairperson is a promoter of the listed entity or is related to any promoter or person occupying management positions at the level of board of director or at one level below the board of directors, at least half of the board of directors of the listed entity shall consist of independent directors. The Board is at the core of our Corporate Governance practice and oversees and ensures that the Management serves and protects the long-term interest of all our stakeholders.

We believe that an active, well - informed and independent Board is necessary to ensure the highest standards of Corporate Governance.

##### a) Composition of the Board

The Company has a balanced mix of Executive, Non-Executive and Independent Directors in accordance with Listing Regulations. As on 31 March 2023, the Board consisted of 4 (Four) Directors, out of which 1 (One) Director was Executive, 1 (One) was Non-Executive and 2 (Two) were Independent Directors including 1 (One) Independent Woman Director.

The composition of the Board is in conformity with Section 149 of the Companies Act, 2013 (hereinafter referred to as "Act") and Regulation 17 of Listing Regulations.

Further, in the opinion of the Board, the Independent Directors of the Company satisfy the criteria/conditions of independence as laid down in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and they have also registered themselves in the data bank of Independent Directors and renewed their registrations as required under Rule 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014. The Independent Directors of the Company have complied with Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014 by passing online proficiency self-assessment test or exempted therefrom as per the Rule. In terms of Regulation 25(8) of the Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or affect their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.

During the financial year 2022-23, Mr. Bankey Lal Choudhary (DIN: 00173792), Managing Director and Mr. Tushar Choudhary (DIN: 00174003), Non-Executive Director have resigned from the Directorship of the Company with effect from 8<sup>th</sup> July 2022 due to personal reasons.

During the year, the Board of the Company (based on the recommendation of Nomination & Remuneration Committee) at its meeting held on 9<sup>th</sup> August 2022, has designated Mr. Anurag Choudhary (DIN: 00173934) as Managing Director of the Company w.e.f. 9<sup>th</sup> August 2022 for a period of five years. The Shareholders of the Company has approved the said appointment with an overwhelming majority at the 27<sup>th</sup> AGM of the Company held on 30<sup>th</sup> September 2022.

#### b) Disclosure of Relationships between Directors inter-se

Sl. No.	Name of Director	Category	Relationship between Directors inter-se*
1	Mr. Anurag Choudhary	Promoter, Managing Director	Brother of Mr. Amit Choudhary
2	Mr. Amit Choudhary	Promoter, Non-Executive Director	Brother of Mr. Anurag Choudhary
3	Mr. Santosh Kumar Agrawala	Independent Director	NA
4	Ms. Sucharita Basu De	Independent Director	NA

\*Relative as per Section 2(77) of the Act.

Further, based on the recommendation of Nomination & Remuneration Committee, the Board of the Company at its meeting held on 9<sup>th</sup> August 2022 has appointed Mr. Amit Choudhary (DIN: 00152358), as a Non-Executive Director of the Company w.e.f. 9<sup>th</sup> August 2022. The Shareholders of the Company has approved the said appointment with an overwhelming majority at the 27<sup>th</sup> AGM of the Company held on 30<sup>th</sup> September 2022.

The shareholders of the Company, through Postal Ballot dated 16<sup>th</sup> December 2022 approved the re-appointment of Mr. Santosh Kumar Agrawala (DIN: 00364962) and Ms. Sucharita Basu De (DIN: 06921540), as Independent Directors of the Company for a second consecutive term of 5 years w.e.f. 9<sup>th</sup> August 2022.

No Independent Director resigned from the Board of the Company before the expiry of the tenure during the financial year.

In compliance with Regulation 17A of the Listing Regulations, none of the Directors including Independent Directors on the Board hold directorship in more than 7 (Seven) listed entities and the Executive Director is not an Independent Director in any listed company. None of the Directors on the Board is a member of more than 10 (Ten) Committees or act as chairperson of more than 5 (Five) Committees across all the companies in which he/she is a director, in compliance with Regulation 26(1) of the Listing Regulations. For the purpose of determination of limit of chairpersonship and membership, the Audit Committee and the Stakeholders' Relationship Committee alone have been considered.

All the Directors possess requisite qualifications and experience in general corporate management, risk management, finance, marketing, legal and other allied fields, which enable them to contribute effectively to your Company by providing valuable guidance and expert advice to the Management and enhance the quality of Board's decision-making process. Detailed profiles of the Directors are available on the Company's website at <https://himadricredit.in/>.

Apart from the relations mentioned hereinabove, there is no inter-se relation among the Directors of the Company.

#### **c) Board procedure and access to information**

The Board is responsible for the management of the business of the Company and meets regularly to discharge its role and functions.

The Board of the Company reviews all information provided periodically for discussion and consideration at its meetings as provided under the Act (including any amendment and re-enactment thereof) and Listing Regulations inter alia the agendas mentioned in Part A of Schedule II of Listing Regulations.

Detailed agenda, setting out the business to be transacted at the meeting(s) is circulated to the Directors well in advance as stipulated under the Act and Secretarial Standard – 1 (“SS-1”). All material information is incorporated in the detailed agenda for facilitating meaningful and focused discussion at the meetings. Where it is not practicable to enclose any document to the agenda, the same are placed before the meeting. Additional item(s) on the agenda, if required, can be discussed at the meeting.

Board makes timely strategic decisions, to ensure operations are in line with strategy to ensure the integrity of financial information and the robustness of financial and other controls to oversee the management of risk and review the effectiveness of risk management processes and to ensure that the right people are in place and coming through. Independent Directors are expected to provide an effective monitoring role and to provide help and advice as a sounding Board for the Executive Director. All this is in the long-term interest of the Company and should be based on the optimum level of information, through smooth processes, by people with the right skills mixed and in a constructive manner. The Independent Directors play an important role in deliberations at the Board and Committee meetings and bring to the Company their expertise in the fields of business, commerce, finance, and management.

The Board meets at least once in a quarter to approve the quarterly results and other items on the agenda. Additional meetings are held, as and when necessary. The meetings of the Board are generally convened at the Company’s Corporate Office at Kolkata. In case of urgency or when the Board meeting is not practicable to be held, the matters are resolved through circulation, which is then noted by the Board in its next meeting.

Options of attending the meeting(s) and the facility to participate in meeting(s) through video conferencing (VC) or by other audio-visual means (OAVM) is provided to Directors in every Board Meeting and Committee Meeting to the extent permissible.

The minutes of the Board Meetings are circulated in advance as per the requirement of SS-1 to all the Directors and confirmed at subsequent meeting.

#### **d) Meetings of the Board of Directors**

During the financial year 2022-23, the Board met 6 (Six) times, i.e., on 29<sup>th</sup> April 2022, 8<sup>th</sup> July 2022, 9<sup>th</sup> August 2022, 18<sup>th</sup> October 2022, 14<sup>th</sup> November 2022 and 10<sup>th</sup> February 2023. The maximum gap between two Board meetings held during the year was not more than 120 days.

#### **e) Separate Meeting of Independent Directors**

Schedule IV of the Act and Regulation 25(3) of the 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 the financial year 2022-23, 1 (One) separate meeting of Independent Directors was held on 10<sup>th</sup> February 2023 without the presence of the Non-Independent Directors and the members of the Management. The Independent Directors discussed on the matters pertaining to review of performance of Non-Independent Directors and the Board of Directors as a whole (considering the views of the Executive Directors), assessed the quality, quantity and timeliness of flow of information between the Management of the Company and the Board, so that the Board can effectively and reasonably perform its duties.

#### **f) Performance Evaluation**

Pursuant to the provisions of the Act and the Listing Regulations, the Board has carried out the annual evaluation of its own performance, of individual Directors and that of the Audit Committee, Nomination and Remuneration Committee, Stakeholders’ Relationship Committee. Feedback was sought by way of a structured questionnaire covering various aspects of the Board’s functioning such as adequacy of the composition of the Board and its Committees, Board Culture, Execution and Performance of Specific Duties, Obligations and Governance and the evaluation was done, based upon the responses received from the Directors.

The entire Board (excluding the director being evaluated) carried out the performance evaluation of the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

The details of composition of the Board along with the attendance record of the Directors at the Board Meetings held during financial year 2022-23 and at the last Annual General Meeting (AGM), the number of Directorships, Committee Chairmanships and Memberships held by them in other Public Companies, the names of the listed entities, where the Director is a director and the category of directorship and number of shares held by Directors are given herein below:

Sl. No.	Name	Category	No. of shares held	Attendance		Directorship in Public Companies*	No. of Committee position held in all companies#	
				Board meetings	Last AGM		As Member	As Chairman
1	Mr. Anurag Choudhary	Promoter, Managing Director	1,50,100	6	N	3	3	-
2	Mr. Amit Choudhary <sup>1</sup>	Promoter, Non-Executive Director	70,100	3	N	4	1	-
3	Mr. Santosh Kumar Agrawala	Independent Director	-	5	Y	2	3	2
4	Ms. Sucharita Basu De	Independent Director	-	5	N	2	2	-
5	Mr. Bankey Lal Choudhary <sup>2</sup>	Executive Director	-	1	N	NA	NA	NA
6	Mr. Tushar Choudhary <sup>2</sup>	Non-Executive Director	-	1	N	NA	NA	NA

The Directorships/Committee Memberships are based on the latest disclosures received by the Company.

<sup>1</sup>Mr. Amit Choudhary (DIN: 00152358) has been appointed as a Non-Executive Director of the Company w.e.f 09 August 2022.

<sup>2</sup>Mr. Bankey Lal Choudhary (DIN: 00173792) and Mr. Tushar Choudhary (DIN: 00174003), resigned from Directorship of the Company w.e.f 08 July 2022.

\*Directorship in Public Companies includes listed as well as reporting entity.

#Pursuant to Regulation 26 of the Listing Regulations, Memberships and Chairmanships of only Audit Committee and Stakeholders' Relationship Committee in all Public Limited Companies (including Himadri Credit & Finance Ltd) have been considered.

The Company has not issued any Convertible Instruments.

The number of Directorships, Committee Membership(s)/Chairmanship(s) of all Directors is within the limits as prescribed under the Act and the Listing Regulations.

The details of the Board of Directors holding Directorship in other listed companies along with the category of directorship as on 31 March 2023 are given herein below:

Sl. No.	Director's name	Name of other listed entities holding directorship	Category
1	Mr. Anurag Choudhary	Himadri Speciality Chemical Limited	Promoter, Chairman cum Managing Director & Chief Executive Officer
2	Mr. Amit Choudhary	Himadri Speciality Chemical Limited	Promoter, Executive Director
3	Mr. Santosh Kumar Agrawala	Himadri Speciality Chemical Limited	Independent Director
4	Ms. Sucharita Basu De	Tarsons Products Limited	Independent Director

### g) Formal Letter of Appointment to the Independent Directors

Two Independent Directors were re-appointed during the financial year 2022-23. The Company has issued re-appointment letters as per provisions of Schedule IV of the Act to the Independent Directors on their re-appointment containing the detailed terms and conditions of their re-appointment, role, duties and liabilities, evaluation process, code of conduct, etc. The letter of appointment/ re-appointment issued to the Independent Directors has been posted on the Company's website at <https://himadricredit.in/>.

### h) Familiarisation Programme for Independent Directors

Pursuant to Regulation 25(7) of the Listing Regulations, during the financial year 2022-23, the Company imparted Familiarization Programme to Independent Directors to familiarize them about their roles, rights and responsibilities in the Company, nature of the industry in which the Company operates, review of investments of the Company, business model of the Company, Prohibition of Insider Trading Regulations, Listing Regulations, etc. The details of the familiarisation programme are available on the website of the Company at <https://himadricredit.in/>.

Further, in the opinion of the Board, all the Independent Directors fulfill the conditions specified in Listing Regulations and are independent of the management.

### i) Codes and Policies

The Board has adopted all applicable codes and policies as per the requirement of the Act, SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Listing Regulations. The requisite codes and policies are posted on the Company's website at <https://himadricredit.in/>.

### j) Code of Conduct for all Directors and Senior Management Personnel

Regulation 17(5) of the Listing Regulations requires every listed company to have a Code of Conduct for its directors and senior management. Further, Schedule IV of the Act requires the appointment of the Independent Director to be formalised through a letter of appointment, which shall set out the Code for Business Ethics that the Company expects its Directors and Senior Management to follow. The said Schedule also requires the Independent Directors to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy.

In terms of the above, there exists a Code of Conduct for all the Board Members and Senior Management of the Company. The Board of Directors has laid down a separate Code for the Independent Directors of the Company. The aforesaid Codes are available on the Company's website at <https://himadricredit.in/>. All Directors and Senior Management Personnel of the Company as on 31<sup>st</sup> March 2023, has individually affirmed compliance with the said Codes in terms of Regulation 26 of the Listing Regulations. A declaration signed by the Managing Director to this effect is enclosed at the end of this Report as **Annexure I**. The Code of Conduct for the Independent Directors is in line with the provisions of Section 149(8) and Schedule IV of the Act and contains brief guidance for professional conduct by the Independent Directors.

- **Code of Conduct to regulate, monitor and report trading by Designated Persons, and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information**

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company have formulated the Code of Conduct to regulate, monitor and report trading by its designated persons and immediate relatives of designated persons towards achieving compliance with these Regulations and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information to ensure timely and adequate disclosure of price sensitive information to the Stock Exchange(s) by the Company to enable the investor community to take informed investment decisions with regard to the Company's securities.

### k) Brief Note on the Director seeking re-appointment at the 28<sup>th</sup> AGM

As required under Regulation 36(3) of the Listing Regulations, the Company has furnished information relating to the Director retiring by rotation and seeking re-appointment in the Notice convening the 28<sup>th</sup> AGM. Shareholders may kindly refer to the same. The names of the companies in which the Director hold directorships and the details of membership of committees of the Board are given separately in the Notice convening the 28<sup>th</sup> AGM.

### l) List of core skills/expertise/competencies identified by the Board of Directors

The Board at its meeting held on 10 February 2023 has identified the below mentioned core skills/expertise/competencies as required by the Company in the context of its business and sector for it to function effectively and those actually available with Board.

Sl. No.	Skills / Expertise / Competencies required by the Board of Directors	
1	<b>Understanding of Business / Industry</b>	Experience and knowledge of the area of operation and associated businesses.
2	<b>Strategy and strategic planning</b>	Ability to think strategically and identify and critically assess strategic opportunities and threats and develop effective strategies in the context of the strategic objectives of the Company's policies and priorities.
3	<b>Critical and innovative thoughts</b>	The ability to critically analyse the information and develop innovative approaches and solutions to the problems.
4	<b>Financial understanding</b>	Ability to analyse and understand the key financial statements, assess financial viability of the projects and efficient use of resources.
5	<b>Market understanding</b>	Understanding of Market.
6	<b>Risk and compliance oversight</b>	Ability to identify key risks to the organisation in a wide range of areas including legal and regulatory compliance, monitor risk and compliance management frameworks.

The table below expresses the specific areas of focus or expertise of individual Board members

Name of Director	Understanding of Business/ Industry	Strategy and strategic planning	Critical and innovative thoughts	Financial understanding	Market understanding	Risk and compliance oversight
Mr. Anurag Choudhary	√	√	√	√	√	√
Mr. Amit Choudhary	√	√	√	√	√	√
Mr. Santosh Kumar Agrawala	√	√	√	√		√
Ms. Sucharita Basu De	√	√	√		√	√

#### m) Committees of Board

The Board has constituted various committees as mandated under Chapter IV of the Listing Regulations to function in specific areas and to take informed decisions within delegated powers. Each Committee exercises its functions within the scope and area as defined in its constitution guidelines. The Company Secretary acts as the Secretary to all the Committees of the Board. These Committees are constituted in conformity of the Listing Regulations and the Act and are mentioned as follows:

- Audit Committee;
- Nomination and Remuneration Committee;
- Stakeholders Relationship Committee.

#### n) Other Board Committee

The Board in addition to the mandatory Committees under Chapter IV of the Listing Regulations has also constituted Finance & Management Committee.

### 3. AUDIT COMMITTEE

#### a) Composition

The Company has an Audit Committee pursuant to Section 177 of the Act and Regulation 18 of the Listing Regulations comprising of 3 (Three) Directors as members including 2 (two) Independent Directors and 1 (One) Executive Director. Mr. Santosh Kumar Agrawala, the Chairman of the Committee is an Independent Director with over a decade of rich experience in the field of finance and accounts. All the members of the

Audit Committee are financially literate with majority having accounting or related financial management expertise. The Company Secretary acts as the Secretary to the Audit Committee.

The Committee met 5 (Five) times during the year i.e., on 8<sup>th</sup> July 2022, 9<sup>th</sup> August 2022, 18<sup>th</sup> October 2022, 14<sup>th</sup> November 2022 and 10<sup>th</sup> February 2023 to review 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 Related Party Transactions (as defined by the Audit Committee) submitted by management.

The composition of Audit Committee and details of meetings attended by each of the member are given below:

Sl. No.	Names of the members	Category	No. of meetings attended
1	Mr. Santosh Kumar Agrawala	Chairman, Independent Director	5
2	Ms. Sucharita Basu De	Member, Independent Director	5
3	Mr. Anurag Choudhary <sup>1</sup>	Member, Managing Director	3

<sup>1</sup>Mr. Anurag Choudhary was appointed as a Member of the Audit Committee w.e.f 09 August 2022

#### b) Terms of Reference

The present terms of reference of the Audit Committee are aligned as per the provisions of Section 177 of the Act and include the roles as laid out in Part C of Schedule II of the Listing Regulations. The brief description of the terms of reference of the Audit Committee are in conformity with the Act and the Listing Regulations and the same are as follows:

- (i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (ii) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (iv) Reviewing, with the management, the annual

financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

- a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Act, 2013;
  - b) Changes, if any, in accounting policies and practices and reasons for the same;
  - c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - d) Significant adjustments made in the financial statements arising out of audit findings;
  - e) Compliance with listing and other legal requirements relating to financial statements;
  - f) Disclosure of any related party transactions;
  - g) Modified opinion(s) in the draft audit report;
- (v) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
  - (vi) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  - (vii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
  - (viii) Approval or any subsequent modification of transactions of the Company with related parties;
  - (ix) Scrutiny of inter-corporate loans and investments;
  - (x) Valuation of undertakings or assets of the Company, wherever it is necessary;
  - (xi) Evaluation of internal financial controls and risk management systems;
  - (xii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

- (xiii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (xiv) Discussion with internal auditors of any significant findings and follow up there on;
- (xv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (xvi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (xvii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (xviii) To review the functioning of the Whistle Blower Mechanism;
- (xix) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- (xx) Carrying out any other function as mentioned in the terms of reference of the Audit Committee;
- (xxi) Review the compliance with the provisions of the SEBI (PIT) (Amendment) Regulations 2018, at least once in a financial year and shall verify that the systems of Internal Control are adequate and operating effectively;
- (xxii) To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

As stipulated, in Part C of Schedule II of the Listing Regulations, the Audit Committee also reviews management discussion and analysis of financial performance, statement of significant related party transactions submitted by management, and Internal Audit Reports relating to internal control weaknesses and appointment/removal and terms of remuneration of Internal Auditor.

The Audit Committee may also review such matters as considered appropriate by it or referred to it by the Board.

#### 4. NOMINATION AND REMUNERATION COMMITTEE

##### a) Composition

The Nomination and Remuneration Committee of the Company has been constituted in terms of the provisions of Section 178 of the Act as well as in terms of Regulation 19 of the Listing Regulations comprising of 3 (Three) Directors as members including 2 (two) Independent Directors and 1 (One) Non-Executive Director. Mr. Santosh Kumar Agrawala, the Chairman of the Committee is an Independent Director. The Committee was reconstituted during the year with following members. The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

The Committee met 2 (Two) times during the year i.e., on 09 August 2022 and 10 February 2023. The details of meetings attended by each of the member are given below:

Sl. No.	Names of the members	Category	No. of meetings attended
1	Mr. Santosh Kumar Agrawala	Chairman, Independent Director	2
2	Ms. Sucharita Basu De	Member, Independent Director	2
3	Mr. Amit Choudhary	Member, Non-Executive Director	-

##### b) Terms of Reference

The present terms of reference of the Nomination and Remuneration Committee is aligned as per the provisions of Section 178 of the Act and include the roles as laid out in Part D Para (A) of Schedule II of the Listing Regulations. The brief description of the terms of reference of the Nomination and Remuneration Committee in line with the Act and the Listing Regulations are as follows:

- (i) Formulation of the criteria for determining qualifications, positive attitudes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, Key Managerial Personnel, and other employees;

- (ii) Formulation of criteria for evaluation of performance of Independent Directors and the Board and its Committees;
  - (iii) Devising a policy on diversity of Board of Directors;
  - (iv) Identifying persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
  - (v) Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
  - (vi) Review the performance and recommend to the Board, all remuneration in whatever form, payable to the senior management;
  - (vii) For every appointment of an independent director, evaluate the balance of skills, knowledge and experience on the Board and based on such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
    - a. use the services of an external agencies, if required;
    - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
    - c. consider the time commitments of the candidates.
- c) Remuneration Policy**
- The Board of Directors of the Company has on the recommendation of the Nomination and Remuneration Committee of the Board approved a Nomination and Remuneration Policy of the Company. This Policy is available in the Company's website at <https://himadricredit.in/>.
- d) Criteria for Performance Evaluation of Independent Directors**
- The Nomination and Remuneration Committee laid down the criteria for performance evaluation of Independent Directors. The criteria are enumerated as below:
- i. **Qualifications:** Details of professional qualifications of the Independent Director.
  - ii. **Experience:** Details of prior experience of the Independent Director, especially the experience relevant to the entity.
  - iii. **Knowledge and Competency of the Independent Director.**
  - iv. **How the Independent Director fares across different competencies as identified for effective functioning of the entity and the Board.**
  - v. **Whether the Independent Director has sufficient understanding and knowledge of the entity and the sector in which it operates.**
  - vi. **Fulfilment of functions:** Whether the Independent Director understands and fulfils the functions as assigned to him/her by the Board and the law (e.g. Law imposes certain obligations on Independent Directors).
  - vii. **Ability to function as a team:** Whether the Independent Director is able to function as an effective team- member.
  - viii. **Initiative:** Whether the Independent Director actively takes initiative with respect to various areas.
  - ix. **Availability and attendance:** Whether the Independent Director is available for meetings of the Board and attends the meeting regularly and timely, without delay.
  - x. **Commitment:** Whether the Independent Director is adequately committed to the Board and the entity.
  - xi. **Contribution:** Whether the Independent Director contributed effectively to the entity and in the Board meetings.
  - xii. **Integrity:** Whether the Independent Director demonstrates highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.
  - xiii. **Independence:** Whether Independent Director is independent from the entity and the other directors and there is no conflict of interest.
  - xiv. **Independent views and judgement:** Whether the Independent Director exercises his/ her own judgement and voices opinion freely.

## e) Remuneration to Directors and Disclosures

## i) Details of remuneration paid / payable to the Directors for the year ended 31 March 2023 and their shareholding as on that date is as under:

Amount in ₹ lakhs

Names of the Directors	Salary (₹)	Perquisites (₹)	Bonus (₹)	Commission (₹)	Sitting Fees (₹)	Stock Option	Pension (₹)	Total (₹)	Service Contract/ Notice period/Severance Fees	Shareholding (Equity) (No.)
Mr. Anurag Choudhary		-	-	-	-	-	-		Present tenure valid till 08 August 2027	150,100
Mr. Amit Choudhary	-	-	-	-	-	-	-	-	NA	70,100
Mr. Santosh Kumar Agrawala	-	-	-	-	0.46	-	-	0.46	Re-appointed as Independent Director upto 08 August 2027	-
Ms. Sucharita Basu De	-	-	-	-	0.44	-	-	0.44	Re-appointed as Independent Director upto 08 August 2027	-

## ii) Details of fixed components and performance linked incentives along with the Performance Criteria:

As per the remuneration approved by the shareholders, apart from the salary and sitting fees, as applicable, no performance linked incentive is paid to any of the Director.

## iii) Stock options details, if any and whether issued at discount as well as the period over which accrued and over which exercisable:

The Company has not issued any stock options to any of the Director of the Company.

## iv) Criteria of making payments to Non-Executive Directors:

Non-Executive Independent Directors are entitled to sitting fees for attending the meetings of the Board and its Committees.

The criteria for making payments to Non-Executive Directors is placed on the website of the Company at <https://himadricredit.in/>.

There are no pecuniary relationships with Non-Executive Independent Directors other than Sitting Fees as mentioned in the Report.

## 5. Stakeholders' Relationship Committee

## a) Composition, Meetings and Attendance

The Stakeholders' Relationship Committee comprises of 3 (Three) Directors as members including 1 (One) Independent Director, 1 (One) Executive Director and 1 (One) Non-Executive Director. Mr, Santosh Kumar Agrawala, the Chairman of the Committee is an Independent Director. Mr. Koushik Ranjan Saha, Company Secretary and Compliance Officer acts as Secretary of the Committee.

The Committee reviewed the status of Investors' Complaints periodically relating to transmission of shares, issue of duplicate shares, and non-receipt of dividend, among others.

During the year, the Committee met 1 (One) time i.e.,

10 February 2023. The details of meeting attended by each of the members are given below:

Sl. No.	Name of the members	Category	No. of meeting attended
1	Mr. Santosh Kumar Agrawala	Chairman, Independent Director	1
2	Mr. Anurag Choudhary	Member, Managing Director	1
3	Mr. Amit Choudhary	Member, Non-Executive Director	1

#### b) Terms of Reference

- (i) To resolve the grievances of the Security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
- (ii) To review measures taken for effective exercise of voting rights by shareholders;
- (iii) To review of adherence to the service standards adopted by the Company in respect of various services rendered by the Registrar and Share Transfer Agent;
- (iv) To review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
- (v) Such other matters as per the directions of the Board of Directors of the Company, which may be considered necessary in relation to shareholders and investors of the Company;
- (vi) Functions of the Committee as provided in Schedule II, Part "D", Para "B" read with Reg 20(4) of the Listing Regulations.

#### c) Name and Designation of Compliance Officer

Mr. Koushik Ranjan Saha, Company Secretary and Chief Financial Officer, has been designated as Compliance Officer in terms of Regulation 6(1) (a) of the Listing Regulations. The shareholders may send their complaints directly to the Company Secretary, Himadri Credit & Finance Ltd, 23A, Netaji Subhas Road, 8th Floor, Suite No 15, Kolkata - 700 001 or may email

at: hcfl@himadri.com. Those Members who desire to contact over telephone may do so at 033- 2230 9953 / 4363.

#### d) Status of Investors' Grievances

There were 0 complaints pending at the beginning of the year. During the financial year 2022-23, total 1 complaint was received from investor and 1 complaint was resolved satisfactory and there were 0 complaints pending at the end of the financial year.

The Company regularly updates the status of Investors Complaints on "SCORES", an online portal introduced by SEBI for resolving investor's complaints. There were no investors' complaints pending at the end of the financial year on the SCORES.

#### 6. Finance & Management Committee

The Board of Directors at its meeting held on 26 May 2023 constituted the Finance & Management Committee comprising of the following members:

Sl. No.	Name of the members	Category
1.	Mr. Anurag Choudhary	Member, Managing Director
2.	Mr. Amit Choudhary	Member, Non-Executive Director

#### Terms of Reference:

- (i) To get working capital finance (both Fund based and Non-fund based) either secured or unsecured by means of fresh sanction, renewal, takeover and switch over from one Bank to another Bank or from any financial institution up to an aggregate amount of ₹ 50 Crores and do all acts as delegated by the Board from time to time;
- (ii) To open/closure of Banking Accounts;
- (iii) To arrange finance, from Bank and Financial institutions;
- (iv) To sign and execute necessary documents with Banks / Financial Institutions;
- (v) To create mortgage/ charge including modification and satisfaction if any in favour of various banks / Financial Institutions for securing the credit facilities as may be sanctioned to the Company from time to time not exceeding ₹ 50 Crores;
- (vi) To deal with managing the day to day affairs of the Company including grant of authority to officials in this regard;

- (vii) To avail of factoring facility from any other bank & Financial Institution;
- (viii) To obtain hire purchase loan / vehicle loan;
- (ix) To initiated legal action on behalf of the Company against any party and to defend the Company in any legal proceedings including grant of authority to deal with such matters;
- (x) To file various e-forms with the MCA (Registrar of Companies);
- (xi) To avail of Commercial Card facility as a part of working capital limit sanctioned to the Company by any bank;
- (xii) To sell or dispose of old and obsolete movable office equipment, computer accessories, printers, including motor cars and commercial vehicles for value not exceeding ₹ 2,00,000 (Rupees two lakhs) of each such items;
- (xiii) To let-out office premises with or without consideration to its' group companies for official purposes;
- (xiv) To deal with all types of current investments in day to day business activities;
- (xv) To invest funds of the Company including investment in mutual fund for an amount not exceeding ₹ 50 Crores;
- (xvi) To borrow money from time to time for long term purpose of the Company upto an aggregate amount not exceeding ₹ 50 Crores;
- (xvii) To grant corporate guarantee upto an aggregate amount of ₹ 50 Crores;
- (xviii) To grant loan upto an aggregate amount of Rs. 50 Crores;
- (xix) To provide security in respect of loans aggregate amount of ₹ 50 Crores;
- (xx) To deal with any other matter which are incidental to the aforesaid;
- (xxi) the Committee shall exercise all such powers in ordinary course of business which are not otherwise restricted in the provisions of Section 179 of the Companies Act, 2013.

**7. General Body Meetings**

**a) Details of location, time, and date of the last three AGM are as follows:**

Financial Year	Number of the AGM	Date	Venue	Time
2019-20	25 <sup>th</sup> AGM	23 September 2020	Ruby House, 8 India Exchange Place, 2nd Floor, Kolkata – 700 001.	10.30 a.m. (IST)
2020-21	26 <sup>th</sup> AGM	22 September 2021	Ruby House, 8 India Exchange Place, 2nd Floor, Kolkata – 700 001.	11.30 a.m. (IST)
2021-22	27 <sup>th</sup> AGM	30 September 2022	Ruby House, 8 India Exchange Place, 2nd Floor, Kolkata – 700 001.	12.30 p.m. (IST)

**b) Details of Special Resolution(s) passed in the previous three AGM:**

27 <sup>th</sup> AGM held on 30 September 2022	Appointment of Mr. Anurag Choudhary (DIN: 00173934) as Managing Director of the Company for a period of 5 years w.e.f 09 August 2022.
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**c) During the financial year 2022-23, the Company passed the following special resolutions by way of Postal Ballot on 16 December 2022:**

1. Re-appointment of Mr. Santosh Kumar Agarwala (DIN: 00364962) as an Independent Director of the Company for a second term of 5 (Five) consecutive years w.e.f 09 August 2022.
2. Re-appointment of Ms. Sucharita Basu De (DIN: 06921540) as an Independent Director of the

Company for a second term of 5 (Five) consecutive years w.e.f 09 August 2022.

3. Approval of requests received from Mr. Bankey Lal Choudhary, Mr. Vijay Kumar Choudhary, Mr. Tushar Choudhary, Ms. Sushila Devi Choudhary, Ms. Saroj Devi Choudhary, Ms. Kanta Devi Choudhary and Ms. Swaty Choudhary, Damodar Prasad Coudhary and Others, Bankey Lal Choudhary and Others, Vijay Kumar Choudhary and others, Persons belonging to Promoters/ Promoter Group for reclassification from "Promoters / Promoter Group" category to "Public" category.

- d) Person who conducted the postal ballot exercise:** The Board of Directors had appointed Mr. Rajarshi Ghosh (Membership No. ACS 17717, CP No. 8921), Practising Company Secretary to

scrutinize the postal ballot process in a fair and transparent manner.

- e) **No Special Resolution at present is proposed to be passed through Postal Ballot. Therefore, the procedure for Postal Ballot is not applicable.**

#### 8. Means of communication

- a) **Quarterly/Annual Financial Results:** The unaudited quarterly financial results are announced within 45 days from the end of each quarter, and the audited annual financial results are announced within 60 days from the end of the last quarter. These financial results, after being taken on record by the Audit Committee and Board of Directors, are communicated to the Stock Exchange, where the shares of the Company are listed. Any news, updates, or vital/useful information to shareholders are being intimated to Stock Exchange and are being displayed on the Company's website: <https://himadricredit.in/>.
- b) **Newspapers:** During the financial year 2022-23, financial results (Quarterly & Annual) were published in newspapers viz. Business Standard and Sukhabar (Vernacular) in the format prescribed by SEBI.
- c) **Website:** The financial results are also posted on the Company's website at <https://himadricredit.in/>. The Company's website provides information about its business and the section on "Investor Relation" serves to inform and service the Shareholders allowing them to access information at their convenience.
- d) **Annual Report:** Annual Report is circulated to all the Members within the required period.
- e) **E-mail ID of the Registrar & Share Transfer Agent:** All the share related requests/queries/correspondence, if any, are to be forwarded by the investors to the Registrar and Transfer Agent of the Company, M/s S. K. Infosolutions Pvt. Ltd, D/42, Katju Nagar Colony, Ground Floor, Near South City Mall, PO & PS - Jadavpur, Kolkata - 700 032 or e-mail them at [skcdilip@gmail.com](mailto:skcdilip@gmail.com).
- f) **Designated E-mail ID for Complaints/ Redressal:** In compliance with Regulation 46(2) of Listing Regulations, the Company has designated an e-mail ID [hcfl@himadri.com](mailto:hcfl@himadri.com) exclusively for registering complaints/ grievances by investors. Investors whose requests/queries/correspondence remain unresolved can send their complaints to the Company to resolve the grievances at the above referred e-mail ID.

- g) **CSE Corporate Compliance:** Any Corporate Action, inter alia, the Shareholding Pattern, Corporate Governance Report, Financial Results, and other intimations are filed electronically on <https://www.cse-india.com/>.

- h) **SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralized web-based complaints redressal system through SCORES. The Action Taken Reports are uploaded online by the Company for any complaints received on SCORES platform, thereby making it convenient for the investors to view their status online.

#### 9. General Shareholder Information

##### Annual General Meeting (AGM) and Book Closure Dates

The Day, Date, Time and Venue of the 28<sup>th</sup> AGM and Book Closure Dates in relation thereto have been indicated in the Notice convening the AGM.

##### Financial Year

The financial year of the Company is from 1 April to 31 March every year.

##### Tentative Schedule for the Meetings for the financial year 2023-24

Financial Year	2023-24
<b>Board meetings for approval of quarterly results</b>	
- Quarter ended 30 June 2023	Within 2 <sup>nd</sup> Week of August 2023
- Quarter ended 30 September 2023	Within 2 <sup>nd</sup> week of November 2023
- Quarter ended 31 December 2023	Within 2 <sup>nd</sup> week of February 2024
- Audited Financial Results for the year ended 31 March 2024	Within 60 days from the end of the financial year
AGM for the financial year 2023-24	In accordance with Section 96 of the Act and Listing Regulations and Circulars of MCA and SEBI from time to time.
Dispatch of Annual Report	21 (clear) days before the meeting.

##### Dividend payment date

No dividend is proposed to be paid to the shareholders during the financial year.

##### Listing of Securities on Stock Exchange

**Equity Shares:** The Company's shares are presently listed on the following Stock Exchange:

Sl. No.	Stock Exchange	Listing Code
1.	Calcutta Stock Exchange Ltd 7, Lyons Range, 4th Floor, Kolkata- 700 001.	18043

The Company has remitted the annual listing fee to the Stock Exchange.

#### Market price data

There was no trading in the shares on the Calcutta Stock Exchange Ltd (CSE) during the financial year 2022-23, therefore no market price data is available.

#### Stock Performance in comparison to broad-based indices

There was no trading in the shares of the Company on the CSE during the financial year 2022-23, therefore the relevant data is not available.

#### Registrar and Share Transfer Agent

The Company has engaged the services of M/s S. K. Infosolutions Pvt. Ltd., D/42, Katju Nagar Colony, Ground Floor, Near South City Mall, PO & PS - Jadavpur, Kolkata - 700 032, a SEBI registered Registrar as Registrar and Share Transfer Agent ("RTA") of the Company. All the queries related to shares may be forwarded directly to the Company's RTA.

#### Share Transfer System

SEBI pursuant to notification issued on 8 June 2018 amended the Regulation 40 of the Listing Regulations and provided that, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository w.e.f. 01 April 2019.

Since the shares are compulsorily required to be traded in dematerialized form, shareholders are requested

#### Distribution of Shareholding and Shareholding Pattern as on 31 March 2023

##### • Distribution of Shareholding as on 31 March 2023

No. of shares	No. of Shareholders	% of total number of shareholders	Number of shares held	% of the total number of shares
Upto 500	550	72.46	111,850	3.73
501 to 1000	56	7.38	47,800	1.59
1001 to 2000	29	3.82	42,300	1.41
2001 to 3000	59	7.77	162,800	5.43
3001 to 4000	40	5.27	147,150	4.90
4001 to 5000	7	0.92	31,400	1.05
5001 to 10000	3	0.40	16,800	0.56
10001 to 50000	3	0.40	87,100	2.90
50001 to 100000	4	0.53	318,000	10.60
100001 and Above	8	1.05	2,035,000	67.83
<b>Total</b>	<b>759</b>	<b>100.00</b>	<b>3,000,200</b>	<b>100.00</b>

to get their physical shareholdings converted into DEMAT form through their depository. The Company has made necessary arrangements with Depositories viz NSDL/CDSL for dematerialization of shares. M/s S. K. Infosolutions Pvt. Ltd, RTA has been appointed as the common agency to act as transfer agent for both physical and demat shares.

Issue of duplicate share certificates and all other investors' related activities are attended and processed at the office of the RTA, M/s S. K. Infosolutions Pvt. Ltd, at D/42, Katju Nagar Colony, Ground Floor, Near South City Mall, PO & PS - Jadavpur, Kolkata - 700 032.

Pursuant to Regulation 40(9) of the Listing Regulations, a certificate on half-yearly basis is filed with the Stock Exchange for due compliance of share transfer formalities by the Company.

#### Nomination facilities

Section 72 of the Act read with Rule 19(1) of Companies (Share Capital and Debentures) Rules, 2014, provides for the facility of nomination to security holders of the Company. This facility is mainly useful in the case of those holders who hold their shares in their own name. Investors are advised to avail of this facility to avoid any complication in the process of transmission, in case of death of the holders. Where more than one person holds the securities of a company jointly, the joint holders may together nominate, in the prescribed manner, any person to whom all the rights in the securities shall vest in the event of death of all the joint holders.

In case the shares are held in physical mode, the nomination form may be obtained from the Registrar & Share Transfer Agent. In case of shares held in Demat form, such nomination is to be conveyed to the Depository Participants (DPs) as per the formats prescribed by them.

## • Shareholding pattern as on 31 March 2023

	Category of shareholders	No. of holders	% of total number of holders	Number of shares held	% of the total number of shares
<b>(A)</b>	<b>Promoter Group</b>				
1	Individual	8	1.06	1,526,000	50.86
2	Bodies corporate	1	0.13	334,900	11.16
	<b>Sub- total (A)</b>	<b>9</b>	<b>1.20</b>	<b>1,860,900</b>	<b>62.03</b>
<b>(B)</b>	<b>Non-promoters</b>				
1	Mutual funds	–	–	–	–
2	Financial institutions/Bank	–	–	–	–
3	NBFCs registered with RBI	–	–	–	–
4	Foreign Portfolio	–	–	–	–
5	Central Government/ State Government(s)/ President of India.	–	–	–	–
6	KMP	–	–	–	–
7	Bodies Corporate	20	2.66	603,450	20.11
8	Individuals	720	95.74	533,650	17.79
9	IEPF	–	–	–	–
10	N.R.I.	–	–	–	–
11	Clearing Members	–	–	–	–
12	HUF	3	0.40	2,200	0.07
13	Trusts	–	–	–	–
14	Market Maker	–	–	–	–
15	LLP	–	–	–	–
	<b>Sub-total (B)</b>	<b>743</b>	<b>98.80</b>	<b>1,139,300</b>	<b>37.97</b>
	<b>Total (A) + (B)</b>	<b>752</b>	<b>100.00</b>	<b>3,000,200</b>	<b>100.00</b>

**Dematerialization of shares and liquidity**

The shares of the Company are under compulsory demat list of SEBI, and it has joined as a member of the Depository services with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as an Issuer Company for dematerialization of its' shares. Shareholders can get their shares dematerialized with either NSDL or CDSL.

NSDL - INE018C01010
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CDSL - INE018C01010
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The summary of shareholding of the Company being held as on 31 March 2023 is given below:

	No. of shares	% of total number of shares
Held in dematerialised form in CDSL	33,178	1.11%
Held in dematerialised form in NSDL	1,940,922	64.69%
Physical	1,026,100	34.20%
<b>Total No. of shares</b>	<b>3,000,200</b>	<b>100.00%</b>

**Outstanding global depository receipts or american depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity**

The Company has not issued any global depository receipts or American depository receipts. There are no warrants or any convertible instrument outstanding as on 31 March 2023.

### Foreign Exchange Risk and Hedging activities

In terms of the Listing Regulations, the Management Discussion and Analysis Report forms part of the Annual Report. Disclosures relating to risks including commodity price risk, foreign exchange risk, hedging activities etc., have been adequately covered under the Management Discussion and Analysis Report.

### Address for correspondence

All communication may be sent to Mr. Koushik Ranjan Saha, Company Secretary and Compliance Officer at the following address:

**Himadri Credit & Finance Ltd**  
**23A, Netaji Subhas Road, 8th Floor, Suite No 15**  
**Kolkata - 700 001**  
**Phone number: (033) 2230 9953/ 2230 4363**  
**Fax No 91-33-2230-9051**  
**E-mail: hcfl@himadri.com**

All shares related queries may be sent to the Company's Registrar and Share Transfer Agent, M/s S. K. Infosolutions Pvt. Ltd, D/42, Katju Nagar Colony, Ground Floor, Near South City Mall, PO & PS - Jadavpur, Kolkata - 700 032, Ph No: 033-24120027 / 033-24120029.

### 10. Other Disclosures

#### i. **Materially significant related party transactions (i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc.) that may have potential conflict with the interests of the Company at large**

The Company has not entered into any materially significant related party transaction during the year with any of the related parties which may have potential conflict with the interest of the Company. The related party transactions constitute contracts or arrangements, made by the Company from time to time, with Companies in which Directors are interested. The Audit Committee reviews periodically the related party transactions and the Committee provided omnibus approval for related party transactions which are in ordinary course of business (repetitive in nature) and are on Arm's Length basis. All transactions covered under the related party transactions are regularly approved by the Board. There were no material transactions during the financial year 2022-23 that were prejudicial to the Company's interest. There are no materially significant related party transactions i.e., transactions of the Company of material nature, with its promoters, the directors or the management and

their subsidiaries or relatives that may have potential conflict with Company's interest at a large. Related party transactions as per requirements of Indian Accounting Standard (Ind- AS 24) "Related Party Disclosures" are disclosed in the Notes to the Financial Statements of the Company for the year ended 31 March 2023.

#### ii. **Reconciliation of Share Capital Audit Report**

A qualified Practising Company Secretary has carried out exercise of Reconciliation of Share Capital to the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital as on the close of the financial year 2022-23. The Reconciliation of Share Capital confirms that the total issued / paid up capital is in line with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

#### iii. **Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange(s) or SEBI or any statutory authority, on any matter related to the capital markets, during the last three years;**

The Company has complied with the requirements of the Stock Exchange(s)/ SEBI and statutory authorities on all matters related to capital markets. There were no penalties or strictures imposed on the Company by the Stock Exchange(s), SEBI or any statutory authority in any matter related to capital markets except the following:

Action Taken by	Details of violation during financial year 2022-23	Details of action taken e.g., fines, warning letter, debarment, etc.
Calcutta Stock Exchange Limited (CSE)	The Company has submitted its audited financial results for the quarter and year ended 31 March 2022 to the Stock Exchange on 09 August 2022 whereas pursuant to Regulation 33 of Listing Regulations the Company was required to submit its audited financial results for the quarter and year ended 31 March 2022 to the Stock Exchange within 60 days from the end of the financial year i.e. on or before 30 May, 2022.	CSE imposed a fine for such delay, for which the Company has paid the fine on 24 August 2022.

Action Taken by	Details of violation during financial year 2022-23	Details of action taken e.g., fines, warning letter, debarment, etc.
Calcutta Stock Exchange Limited (CSE)	The Company has submitted its unaudited financial results for the quarter ended 30 September 2021 and 31 December 2021 to the Stock Exchange on 09 August 2022 whereas pursuant to Regulation 33 of Listing Regulations the Company was required to submit the unaudited financial results on or before 14 November 2021, 14 February 2022 respectively.	CSE imposed a fine for such delay, for which the Company has paid the fine on 24 August 2022.

**iv. Details of establishment of Vigil Mechanism, Whistle Blower Policy and affirmation that no person has been denied access to the Audit Committee**

The Company has adopted a Vigil Mechanism and Whistle Blower Policy and the same is uploaded on the website of the Company at <https://himadricredit.in/>. The Board appointed Mr. Koushik Ranjan Saha, Company Secretary as Vigilance Officer for this purpose. The whistle blowers may also lodge their complaints/concern with the Chairman of the Audit Committee, whose contact details are provided in the Whistle Blower Policy of the Company. The Policy also offers appropriate protection to the whistleblowers from victimization, harassment, or disciplinary proceedings.

Further, during the financial year ended 31 March 2023, no personnel has been denied access to the Audit Committee, in this regard.

**v. Details of Mandatory and Non-mandatory requirements**

The Company has complied with the mandatory requirements of Regulation 34(3) read with Schedule V of the Listing Regulations and has adopted a few non-mandatory requirements as specified under Regulations of Listing Regulations, which are reviewed by the management from time to time.

**vi. Details of compliance with Non-mandatory (discretionary) requirements**

The Company has duly fulfilled the following discretionary requirements as prescribed in Sub – Regulation 1 of Regulation 27 read with Part E of Schedule II of the Listing Regulations as follows:

• **Unmodified Audit Opinion**

The financial statements of the Company are with unmodified audit opinion.

• **Reporting of Internal Auditor**

Internal Auditors of the Company make presentations to the Audit Committee on their Reports and has direct access to the Audit Committee.

• **Other Items**

The rest of the Non-Mandatory Requirements will be implemented by the Company as and when required and/ or deemed necessary by the Board.

**vii. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A)**

The Company did not raise any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the Listing Regulations.

**viii. Web link where policy on determining 'material' subsidiaries is disclosed**

The Company does not have any subsidiary. Therefore the Company is not required to formulate the Policy for determining material subsidiaries.

**ix. Web link where policy on dealing with related party transactions**

The Company has duly formulated a Policy on dealing with Related Party Transactions. The Company recognizes that certain transactions present a heightened risk of conflicts of interest or the perception thereof and therefore has adopted this Policy to ensure that all Related Party Transactions with Related Parties shall be subject to this Policy and approval or ratification in accordance with the applicable law. This Policy contains the policies and procedures governing the review, determination of materiality, approval and reporting of such Related Party Transactions. The link for the same as placed on the website of the Company is <https://himadricredit.in/>.

**x. Disclosure of commodity price risks and commodity hedging activities**

Disclosure of commodity price risks and commodity

hedging activities has been adequately covered under the Management Discussion and Analysis Report.

**xi. Declaration of Non-Disqualification or debarment for appointment / continuing as the Director in companies for the financial year 2022-2023**

There is no such director on the Board of the Company who has been disqualified by virtue of any provisions of the Act and any other laws or debarred by any regulatory authority to be appointed or continue to act as Director.

A Certificate from a Company Secretary in Practice that none of the Director on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority is annexed to this report as **Annexure II**.

**xii. Recommendation from the Committees to the Board**

There were no such instances where the Board has not accepted the recommendations of / submissions by the Committee, which were required for the approval of the Board of Directors during the financial year under review.

**xiii. Details of fees paid to Statutory Auditors**

Total fees paid by the Company to the Statutory Auditors for all the services provided by them are as follows:

	₹ in Lakhs	
Payment towards-	2022-23	2021-22
Statutory Audit Fee	0.89	0.59
Other Services	0.83	0.53
<b>Total</b>	<b>1.72</b>	<b>1.12</b>

**xiv. Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has constituted Internal Complaint Committee pursuant to Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder.

**Details of Complaints received and redressed during the financial year 2022-23 are as follows:**

- Number of complaints outstanding at the beginning of financial year - NIL
- Number of complaints filed during the financial year - 1

- Number of complaints disposed of during the financial year - 1
- Number of complaints pending as on end of the financial year - NIL

**xv. Disclosures with respect to demat suspense account/ unclaimed suspense account**

There are no shares in demat suspense account.

- Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year- NIL
- Number of shareholders who approached listed entity for transfer of shares from suspense account during the year- NIL
- Number of shareholders to whom shares were transferred from suspense account during the year- NIL
- Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year- NIL
- That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares- NIL

**xvi. Disclosure of discretionary requirements as specified in Part E of Schedule II have been adopted**

As mentioned above in point no 10(vi).

**xvii. Disclosure of Non-compliance of any requirement of Corporate Governance Report of sub-paras (2) to (10) of para C of Schedule V of the Listing Regulations, with reasons thereof shall be disclosed;**

There is no instance of non-compliance of any requirement of Corporate Governance report of sub-paras (2) to (10) of para C of Schedule V of the Listing Regulations.

**xviii. Disclosure of the Compliance of the Corporate Governance**

The Company is in compliance with the Corporate Governance requirements as specified in Regulation 17 to 27 and the Company is also in compliance with the requirements of dissemination of the information as required in terms of clause (b) to (i) of Regulation 46 (2) of the Listing Regulations.

**Details of corporate policies**

The following Policies are uploaded on the website of the Company: <https://himadricredit.in/>.

Sl. No.	Policy
1.	Composition and Profile of the Board of Directors
2.	Terms and Conditions of appointment of Independent Directors
3.	Familiarization Programme for Independent Directors
4.	Remuneration policy of Directors, KMPs & other Employees
5.	Code of Conduct
6.	Criteria for making payments to Non-Executive Directors
7.	Code of Conduct for Non-Executive Independent Directors
8.	Policy on Related Party Transactions
9.	Whistle Blower Policy

**Disclosures of transactions of the listed entity with any person or entity belonging to the promoter/ promoter group which hold(s) 10% or more shareholding in the listed entity, in the format prescribed in the relevant accounting standards for annual results. [Para A (2A) of Schedule V]**

All transactions with related parties have been disclosed in Financial Statements.

**Disclosure of 'Loans and advances' in the nature of loans to firms/companies in which directors are interested.**

No such transactions were entered into by the Company during the financial year.

**For and on behalf of the Board**

Place: Kolkata  
Date: 26 May, 2023

Sd/-  
**Anurag Choudhary**  
Managing Director  
(DIN: 00173934)

Sd/-  
**Amit Choudhary**  
Director  
(DIN: 00173732)

**Annexure I**

**Declaration by the Managing Director**

**Pursuant to Regulation 34 (3) [Schedule V Paragraph D] of SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015**

**To,  
The Members of  
Himadri Credit & Finance Ltd**

I, Anurag Choudhary, Managing Director of the Company declare that to the best of my knowledge and belief, all the Members of the Board and the Senior Management Personnel of the Company have affirmed their respective compliance with the applicable Code of Conduct for the financial year ended 31 March 2023.

**For Himadri Credit & Finance Ltd**

Sd/-  
**Anurag Choudhary**  
Managing Director

Date: 26.05.2023

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
The Members,  
Himadri Credit & Finance Ltd  
23A, Netaji Subhas Road, 8th Floor, Suite No. 15  
Kolkata – 700 001

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Himadri Credit & Finance Ltd having CIN: L65921WB1994PLC062875 and having registered office at 23A, Netaji Subhas Road, 8th Floor, Suite No. 15, Kolkata – 700 001 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal ([www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	Name of the Director	Designation	DIN	Date of Appointment in Company
1	Anurag Choudhary	Managing Director	00173934	07/04/1994
2	Amit Choudhary	Non-Executive Director	00152358	09/08/2022
3	Santosh Kumar Agrawala	Independent Director	00364962	09/08/2017
4	Sucharita Basu De	Independent Director	06921540	09/08/2017

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these, based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Kolkata  
Date: 20<sup>th</sup> May, 2023

Sd/-  
Rajarshi Ghosh  
FCS 12595  
CP No. 8921  
UDIN: F012595E000344322

## Certificate regarding Compliance of Conditions of Corporate Governance

To  
The Members  
Himadri Credit & Finance Ltd  
23A, Netaji Subhas Road, 8th Floor, Suite No. 15  
Kolkata-700001

I have examined the compliance of conditions of Corporate Governance by Himadri Credit & Finance Ltd (**CIN: L65921WB1994PLC062875**) (hereinafter called "the Company") for the financial year ended March 31, 2023 ("Period under Review"), as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of Regulation 46(2) and Para C and D of the Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015("Listing Regulations").

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

In my opinion and to the best of my information and according to the explanations given to me and based on the representation made by the Directors, the management and the Company's officers, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations during the Period under Review.

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

Place: Kolkata  
Date: 20<sup>th</sup> May, 2023

Sd/-  
Rajarshi Ghosh  
FCS 12595  
CP No. 8921  
UDIN: F012595E000344355

## CEO & CFO CERTIFICATION

To  
The Members of  
Himadri Credit & Finance Ltd  
23A, Netaji Subhas Road, 8th Floor, Suite No 15,  
Kolkata - 700 001

**Sub: CEO & CFO certification in terms of Regulation 17(8) of the SEBI (LODR) Regulations, 2015**

We,

- 1) Anurag Choudhary, Managing Director and
- 2) Koushik Ranjan Saha, Company Secretary & Chief Financial Officer

Certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended 31 March 2023 and that to the best of our knowledge and belief:
  - 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal control, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee:
  - i) Significant changes in internal control over financial reporting during the year;
  - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Kolkata  
Date: 26<sup>th</sup> May, 2023

Sd/-  
**Anurag Choudhary**  
Managing Director

Sd/-  
**Koushik Ranjan Saha**  
Company Secretary &  
Chief Financial Officer

# INDEPENDENT AUDITOR’S REPORT

## TO THE MEMBERS OF HIMADRI CREDIT & FINANCE LIMITED

### Report on the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Himadri Credit & Finance Limited (“the Company”), which comprise the Balance Sheet as at 31 March 2023, 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 “financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31 March, 2023, 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 financial statements of the current period. These matters were addressed in the context of our audit of the 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 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 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 financial statements.

Key Audit Matters	How our audit addressed the key audit matter
<b>(a) Classification and measurement of Financial assets - Business model assessment</b>	
Ind AS 109, Financial Instruments, contains three principal measurement categories for financial assets i.e.: <ul style="list-style-type: none"> <li>• Amortised cost;</li> <li>• Fair Value through Other Comprehensive Income (‘FVTOCI’); and</li> <li>• Fair Value through Profit and Loss (‘FVTPL’).</li> </ul> A financial asset is classified into a measurement category at inception and is reclassified only in rare circumstances.	Our key audit procedures included: <p>Design / controls</p> <ul style="list-style-type: none"> <li>• 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 and classification of such financial assets on the basis of management’s intent (business model).</li> </ul>

<p>The assessment as to how an asset should be classified is made basis 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 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 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 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>	<ul style="list-style-type: none"> <li>• 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.</li> </ul> <p>Substantive tests</p> <ul style="list-style-type: none"> <li>• Test of details over of classification and measurement of financial assets in accordance with management's intent (business model).</li> <li>• We reviewed the financial assets to test whether their classification as at the balance sheet date is in accordance with management's intent.</li> <li>• We reviewed the financial assets sold during the year to check whether there have been any sales of financial assets classified at amortised cost.</li> </ul> <p>We have also checked that there have been no reclassifications of assets in the current period.</p>
<p><b>(b) Valuation of investment securities</b></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 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 financial statements and our auditor's report thereon.

Our opinion on the 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 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.

### Responsibilities of Management and Those Charged with Governance for the 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 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 is also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of Financial Statement

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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 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 financial statements, including the disclosures, and whether the 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 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.

## Report on Other Legal and Regulatory Requirements

1. 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 A**", a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. 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 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 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 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 with reference to financial statements 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 with reference to financial statements.
  - 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 29 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.
  - iv. (i) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (ii) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
  - v. No dividend has been declared or paid during the year by the Company.
  - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

Sd/-  
**CA Vishal Agarwal**  
Partner  
Membership No. 315490  
Date: The 26<sup>th</sup> day of May, 2023  
Place: Kolkata  
UDIN: 23315490BGUEWG3836

## Re : Himadri Credit & Finance Limited

### Annexure 'A' to the Independent Auditors' Report for the year ended 31 March 2023 (Referred to in our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- i. (a) (i) The Company has maintained proper records showing full particulars, including quantitative details and situations of Property, plant and equipment.
    - (ii) According to the information and explanations given to us, the company does not hold any intangible asset. Accordingly, reporting under this clause is not applicable on the company.
  - (b) 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 a regular programme of physical verification of its Property, plant and equipment by which all Property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain Property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us, the company does not owns any immovable property. Accordingly, reporting under this clause is not applicable on the company.
  - (d) According to the information and explanations given to us, the company has not revalued any of its Property, Plant, and Equipment or intangible assets or both during the year.
  - (e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. (a) The Company is a Non-Banking Finance Company and its business does not require maintenance of inventories. Accordingly, the provision of clause 3(ii)(a) of the Order is not applicable to the Company.
    - (b) The Company has not been sanctioned working capital limits at any point of time during the year from banks or financial institutions on the basis of security of current assets and hence reporting under this clause 3 (ii) (b) of the Order is not applicable to the Company.
  - iii. (a) The principal business of the Company is to invest and give loans, hence the requirement to report on clause 3(iii) (a) of the Order is not applicable to the Company.
    - (b) In our opinion and according to the information and explanations given to us, the investments made and the terms and conditions of the grant of loans and advances in the nature of loans are not prejudicial to the Company's interest. The Company has not provided any guarantee or security during the year.
    - (c) According to the information and explanations given to us and based on the audit procedures performed by us, there is no stipulation of schedule of repayment of principal and payment of interest on loans granted by the company. We are, therefore, unable to make specific comment on the regularity of repayment of principal and payment of interest.
    - (d) According to the information and explanations given to us and based on the audit procedures performed by us, there is no amount over due for more than ninety days of loans and advances in the nature of loans granted by the Company.
    - (e) The provisions of paragraph 3(iii)(e) of the Order are not applicable to the Company as its principal business of investment and to give loans.

- (f) According to the information and explanation given to us, the Company has granted loans and advances in nature of loans repayable on demand or without specifying any terms or period of repayment. The details of the same are as follows:

	Other parties (₹ In lakhs)	Promoters	Related parties
Aggregate amount of loans / advances in nature of loans			
- Repayable on demand (A)	3,201.25	None	None
-Agreement does not specify any terms of period of repayment (B)	None	None	None
Percentage of loans/ advances in nature of loans to the total loans	100%	None	None

- iv. The Company has not advanced loans or made investments in or provided guarantee or security to parties covered by section 185 and section 186 is not applicable to the Company. Hence reporting under paragraph 3(iv) of the Order is not applicable.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the rules made thereunder. Accordingly, reporting under clause 3(v) of the Order are not applicable to the Company.
- vi. In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the Company.
- vii. (a) In our opinion and according to the information and explanations given to us, the Company has generally been regular in depositing any undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable

in respect of provident fund, employees' state insurance, income tax, goods and services tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2023, for a period of more than six months from the date they became payable.

(b) In our opinion and according to the information and explanations given to us, there are no disputed amounts dues to be deposited in respect of goods and services tax, provident fund, employees' state insurance, sales tax, duty of customs, duty of excise, value added tax and cess as at March 31, 2023, except the following:

Name of the statute	Nature of the dues	Amount (₹ In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	8.86	A.Y. 2012-13 to 2017-18	Commissioner of Income Tax (Appeals)

- viii. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no instances of any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial

statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(e) is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company does not have any subsidiaries, joint ventures or associate companies as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and accordingly clause 3(x) (a) of the order is not applicable to the Company.

(b) In our opinion and according to the information and explanations obtained by us, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, or optionally convertible) during the year and accordingly clause 3(x) (b) of the order is not applicable to the Company.

xi. (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, provision of

clause 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations and records made available to us by the Company and audit procedures performed by us, all transactions with related parties are in compliance with sections 177 and 188 of the Companies Act, 2013, where applicable. The details of transactions during the year have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.

xiv. (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the company issued till date, for the period under audit.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him as required under Section 192 of the Companies Act, 2013. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. (a) In our opinion, and according to the information and explanations given to us, the company is required to obtain the registration under section 45-IA and the necessary registration has been duly obtained.

(b) According to the information and explanations given to us, the Company has conducted Non-Banking Financial activities during the year under a valid Certificate of Registration (CoR) from the RBI as per the Reserve Bank of India Act, 1934 and no business has been conducted by the Company without a valid CoR.

(c) According to the information and explanations given to us by the management, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(d) In our opinion, and according to the information and explanations given to us, there is no company registered as a core investment company within

the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

- xvii. The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future

viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

- xx. According to the information and explanations given to us, the provisions of Section 135 of the Companies Act, 2013 are not applicable to the company. Accordingly, provisions of paragraph 3(xx) (a) & (b) of the Order are not applicable to the Company.

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

Sd/-  
**CA Vishal Agarwal**  
Partner  
Membership No. 315490  
Date: The 26<sup>th</sup> day of May, 2023  
Place: Kolkata  
UDIN: 23315490BGUEWG3836

## Re : Himadri Credit & Finance Limited

### Annexure 'B' to the Independent Auditors' Report for the year ended 31 March 2023 (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 with reference to financial statements of **Himadri Credit & Finance Limited** ("the Company") as of 31<sup>st</sup> March 2023, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31<sup>st</sup> March 2023, based on the internal control with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

#### Meaning of Internal Financial Controls with Reference to Financial Statements

A Company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 Vishal Agarwal**  
Partner  
Membership No. 315490  
Date: The 26<sup>th</sup> day of May, 2023  
Place: Kolkata  
UDIN: 23315490BGUEWG3836

**Balance Sheet as at 31 March 2023**

(₹ in Lakhs)

Particulars	Note	As at 31 March 2023	As at 31 March 2022
<b>I. ASSETS</b>			
<b>1) Financial Assets</b>			
(a) Cash and cash equivalents	5	53.97	41.34
(b) Loans	6	3,193.25	4,203.46
(c) Investments	7	2,143.41	2,189.13
(d) Other financial assets	8	0.35	0.35
<b>Sub-total Financial Assets</b>		<b>5,390.98</b>	<b>6,434.28</b>
<b>2) Non-financial Assets</b>			
(a) Current tax assets (net)	9	–	12.46
(b) Deferred tax assets (net)	15	59.50	4.13
(c) Property, plant and equipment	10	0.20	0.20
<b>Sub-total Non-financial Assets</b>		<b>59.70</b>	<b>16.79</b>
<b>TOTAL ASSETS</b>		<b>5,450.68</b>	<b>6,451.07</b>
<b>II. LIABILITIES AND EQUITY</b>			
<b>1) Financial Liabilities</b>			
(a) Payables			
(I) Trade payables	11		
- Total outstanding dues of micro enterprises and small enterprises		–	–
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1.28	1.73
(b) Borrowings (other than debt securities)	12	–	1,259.75
(c) Other financial liabilities	13	–	8.60
<b>Sub-total Financial Liabilities</b>		<b>1.28</b>	<b>1,270.08</b>
<b>2) Non financial Liabilities</b>			
(a) Provisions	14	13.10	0.20
(b) Other non financial liabilities	16	0.38	0.89
<b>Sub-total Non financial Liabilities</b>		<b>13.48</b>	<b>1.09</b>
<b>3) Equity</b>			
(a) Equity share capital	17	300.02	300.02
(b) Other equity	18	5,135.90	4,879.88
<b>Sub-total Equity</b>		<b>5,435.92</b>	<b>5,179.90</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,450.68</b>	<b>6,451.07</b>
<b>Significant accounting policies</b>	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 VISHAL AGARWAL**

Partner

Membership No. 315490

Place : Kolkata

 Date: The 26<sup>th</sup> day of May, 2023

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

Sd/-

**ANURAG CHOUDHARY**

Managing Director

(DIN: 00173934)

Sd/-

**AMIT CHOUDHARY**

Director

(DIN: 00152358)

Sd/-

**KOUSHIK RANJAN SAHA**

CFO &amp; Company Secretary

**Statement of Profit and Loss** for the year ended 31 March 2023

(₹ in Lakhs)

Particulars	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>I Revenue from operations</b>			
Interest income	19	207.36	221.34
Dividend income	20	2.97	2.23
Net gain on fair value changes	21	1.12	0.57
<b>Total Revenue from operations</b>		<b>211.45</b>	<b>224.14</b>
<b>II Other income</b>	22	0.12	–
<b>III Total income</b>		<b>211.57</b>	<b>224.14</b>
<b>Expenses</b>			
Finance costs	23	4.80	37.40
Impairment of financial instruments (Expected credit loss)	24	(2.53)	(0.01)
Employees benefits expense	25	17.33	15.50
Other expenses	26	18.29	5.58
<b>IV Total expenses</b>		<b>37.89</b>	<b>58.47</b>
<b>V Profit before tax (III - IV)</b>		<b>173.68</b>	<b>165.67</b>
<b>VI Tax expense</b>	28		
Current tax		51.67	41.55
Deferred tax		(13.28)	(8.31)
Income tax for earlier year		0.56	–
<b>VII Profit for the year (V - VI)</b>		<b>134.73</b>	<b>132.43</b>
<b>VIII Other comprehensive income</b>			
<b>A</b> (i) Items that will not be reclassified to profit or loss		79.20	490.49
(ii) Income taxes on items that will not be reclassified to profit or loss		42.09	2.78
<b>B</b> (i) Items that will be reclassified to profit or loss		–	–
(ii) Income taxes on items that will be reclassified to profit or loss		–	–
<b>Total other comprehensive income, net of taxes (A+B)</b>		<b>121.29</b>	<b>493.27</b>
<b>IX Total comprehensive income for the period (VII + VIII) (comprising profit and other comprehensive income for the period)</b>		<b>256.02</b>	<b>625.70</b>
<b>X Earnings per equity share (of ₹10/- each):</b>	27		
Basic		4.49	4.41
Diluted		4.49	4.41
<b>Significant accounting policies</b>	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 VISHAL AGARWAL**

Partner

Membership No. 315490

Place : Kolkata

Date: The 26<sup>th</sup> day of May, 2023

For and on behalf of the Board of Directors

Sd/-

**ANURAG CHOUDHARY**

Managing Director

(DIN: 00173934)

Sd/-

**AMIT CHOUDHARY**

Director

(DIN: 00152358)

Sd/-

**KOUSHIK RANJAN SAHA**

CFO &amp; Company Secretary

## Cash Flow Statement for the year ended 31 March 2023

(₹ in Lakhs)

Particulars	Year Ended 31 March 2023	Year Ended 31 March 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extra-ordinary items	173.68	165.67
Adjustments for :		
Finance cost	4.80	37.40
Interest income	(207.36)	(221.34)
Dividend received	(2.97)	(2.23)
Investments valued through FVTPL	(1.12)	(0.57)
Operating profit before working capital changes	<b>(32.97)</b>	<b>(21.07)</b>
Adjustments for change in:		
Provisions	0.05	0.03
Loans and advances	1,010.21	3.81
Trade payables, other financial and non financial liabilities	(2.07)	(0.44)
Purchase of investments (at fair value through profit and loss)	–	–
Proceeds from sale of investment (at fair value through profit and loss)	–	–
<b>Cash generated from operations</b>	<b>975.22</b>	<b>(17.67)</b>
Interest paid	(12.29)	(53.12)
Interest received	207.36	221.34
Dividend received	2.97	2.23
Direct taxes refunded/(paid)	(26.92)	(33.57)
<b>Net cash inflow/ (outflow) from operating activities</b>	<b>1,146.34</b>	<b>119.21</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investment (at fair value through other comprehensive income)	126.04	–
<b>Net cash inflow/ (outflow) from investing activities</b>	<b>126.04</b>	<b>–</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase / (decrease) in borrowings	(1,259.75)	(112.00)
<b>Net cash provided by/ (used in) financing activities</b>	<b>(1,259.75)</b>	<b>(112.00)</b>
Net increase/ (decrease) in cash and cash equivalents	<b>12.63</b>	<b>7.21</b>
Cash and Cash equivalents at the beginning of the year	41.34	34.13
Cash and Cash equivalents at the end of the year (Refer Note 5)	<b>53.97</b>	<b>41.34</b>

See accompanying notes to the financial statements

The above 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 VISHAL AGARWAL**

Partner

Membership No. 315490

Place : Kolkata

Date: The 26<sup>th</sup> day of May, 2023

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

Sd/-

**ANURAG CHOUDHARY**

Managing Director

(DIN: 00173934)

Sd/-

**AMIT CHOUDHARY**

Director

(DIN: 00152358)

Sd/-

**KOUSHIK RANJAN SAHA**

CFO & Company Secretary

## Statement of Changes in Equity for the year ended 31 March 2023

### A. Equity share capital

(1) Current reporting period

(₹ in Lakhs)

Balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
300.02	--	300.02

(2) Previous reporting period

(₹ in Lakhs)

Balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
300.02	-	300.02

### B. Other equity

(1) Current reporting period

(₹ in Lakhs)

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 at the beginning of the current reporting period	3,271.21	130.43	1,478.24	4,879.88
Changes in accounting policy/prior period errors	-	-	-	-
<b>Restated balance at the beginning of the current reporting period</b>	<b>3,271.21</b>	<b>130.43</b>	<b>1,478.24</b>	<b>4,879.88</b>
Transfer from equity instrument through OCI on realisation	68.08	-	(68.08)	-
Total Comprehensive Income for the current year	134.73	-	121.29	256.02
Transfer to retained earnings	-	-	-	-
Transfer to reserve fund in terms of section 45-IC(1) of Reserve Bank of India Act, 1934	(26.95)	26.95	-	-
<b>Balance at the end of the current reporting period</b>	<b>3,447.07</b>	<b>157.38</b>	<b>1,531.45</b>	<b>5,135.90</b>

**Statement of Changes in Equity** for the year ended 31 March 2023 (Cont.)

(2) Previous reporting period

(₹ in Lakhs)

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 at the beginning of the previous reporting period	3,165.27	103.94	984.97	4,254.18
Changes in accounting policy/prior period errors	–	–	–	–
Restated balance at the beginning of the previous reporting period	3,165.27	103.94	984.97	4,254.18
Transfer from equity instrument through OCI on realisation	–	–	–	–
Total Comprehensive Income for the previous year	132.43	–	493.27	625.70
Transfer to retained earnings	–	–	–	–
Transfer to reserve fund in terms of section 45-IC(1) of Reserve Bank of India Act, 1934	(26.49)	26.49	–	–
<b>Balance at the end of the previous reporting period</b>	<b>3,271.21</b>	<b>130.43</b>	<b>1,478.24</b>	<b>4,879.88</b>

As per our report of even date attached

**For S. Jaykishan**

Chartered Accountants

Firm's Registration Number : 309005E

Sd/-

**CA VISHAL AGARWAL**

Partner

Membership No. 315490

Place : Kolkata

 Date: The 26<sup>th</sup> day of May, 2023

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

Sd/-

**ANURAG CHOUDHARY**

Managing Director

(DIN: 00173934)

Sd/-

**AMIT CHOUDHARY**

Director

(DIN: 00152358)

Sd/-

**KOUSHIK RANJAN SAHA**

CFO &amp; Company Secretary

## Notes to financial statements for the year ended 31 March 2023

### 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 7<sup>th</sup> 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 2<sup>nd</sup> May, 1998. The Company is engaged in the business of investment and lending activities.

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

The financial statements were approved by the Board of Directors at its meeting held on 26<sup>th</sup> May 2023.

### 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.

#### 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 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

## Notes to financial statements for the year ended 31 March 2023 (Contd.)

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 FVTOCI, 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.

#### (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

## Notes to financial statements for the year ended 31 March 2023 (Contd.)

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.

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

## Notes to financial statements for the year ended 31 March 2023 (Contd.)

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 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.

## Notes to financial statements for the year ended 31 March 2023 (Contd.)

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 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

## Notes to financial statements for the year ended 31 March 2023 (Contd.)

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. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resource is remote, no provision or disclosure is made.

Contingent assets are neither recognised nor disclosed in the financial statements.

### 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 31 March 2023 (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) 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 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.

### b) 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.

### c) 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.

## Notes to financial statements for the year ended 31 March 2023 (Contd.)

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.

### d) 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.

### e) 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.

### 4A Recent Accounting Developments

#### (a) Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

#### (b) Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

#### (c) Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

**Notes to financial statements** for the year ended 31 March 2023 (Contd.)**5. Cash and cash equivalents**

(₹ in Lakhs)

	31 March 2023	31 March 2022
Cash on hand	0.23	0.36
Balance with banks		
- In current accounts	53.74	40.98
	<b>53.97</b>	<b>41.34</b>

**6. Loans****In India**

(₹ in Lakhs)

	31 March 2023	31 March 2022
Loans repayable on demand - at amortised cost		
- Others, unsecured (Rocky Marketing Private Limited)	3,201.25	4,214.00
Less: Impairment loss	8.00	10.54
	<b>3,193.25</b>	<b>4,203.46</b>

Analysis of changes in the gross carrying amount by stages in relation to loans and its corresponding impairment loss allowances is as follows :-

(₹ in Lakhs)

Particulars	Stage 1			
	For the year ended 31 March 2023		For the year ended 31 March 2022	
	Loans repayable on demand (Gross)	Impairment loss allowance	Loans repayable on demand (Gross)	Impairment loss allowance
Opening Balance	4,214.00	10.54	4,217.81	10.54
New credit exposure during the year, net of repayments	(1,012.75)	(2.54)	(3.81)	-
Closing Balance	<b>3,201.25</b>	<b>8.00</b>	<b>4,214.00</b>	<b>10.54</b>

**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.

(₹ in Lakhs)

	Stage	31 March 2023	31 March 2022
Low credit risk	Stage 1	3,201.25	4,214.00
Significant increase in credit risk	Stage 2	-	-
Credit-Impaired	Stage 3	-	-
<b>Total</b>		<b>3,201.25</b>	<b>4,214.00</b>

**7. Investments**

(₹ in Lakhs)

	31 March 2023	31 March 2022
<b>I. Fair value through profit or loss</b>		
(i) Investment in Mutual Funds	15.92	15.04
(ii) Investment in Unquoted Preference shares	214.10	270.68
<b>II. Fair value through other comprehensive income</b>		
(i) Investment in Quoted Equity Shares	1,295.59	1,102.66
(ii) Investment in Unquoted Equity Shares	617.80	800.75
	<b>2,143.41</b>	<b>2,189.13</b>

**Notes to financial statements for the year ended 31 March 2023 (Contd.)**
**7.1 In India**

(₹ in Lakhs)

	Face Value in ₹	31 March 2023	31 March 2022
<b>Investments in mutual funds</b>			
- at fair value through profit or loss			
<b>Quoted, fully paid-up</b>			
PGIM India Money Market Fund D-Growth; 1,374.639 units (31 March 2022: 1,374.639)	-	15.92	15.04
		<b>15.92</b>	<b>15.04</b>
<b>Investments in equity instruments</b>			
- at fair value through other comprehensive income			
<b>Quoted, fully paid-up</b>			
Himadri Speciality Chemical Ltd; 14,84,067 (31 March 2022: 14,84,067)	1	1,295.59	1,102.66
		<b>1,295.59</b>	<b>1,102.66</b>
<b>Unquoted, fully paid-up</b>			
Ganipitak Yakshraj Caplease Ltd.; 2,500 (31 March 2022: 2,500)	10	0.01	0.01
Modern Hi-Rise Private Limited; 33 (31 March 2022: 3)	10	8.85	0.68
Mohini Agro Pvt Ltd (Formerly known as Himadri Industries Pvt Ltd); Nil (31 March 2022: 1)	10	-	0.03
Mega Resources Ltd. (Formerly known as Mega Market Share Resources Ltd.) 18,900 (31 March 2022: 18,900)	10	26.17	25.58
Sri Agro Himghar Ltd.; 55,450 (31 March 2022: 55,450)	100	255.62	303.49
Sitaram Management Ltd.; 18,000 (31 March 2022: 18,000)	10	15.92	19.16
Raghupati Consultants Pvt. Ltd.; 13,650 (31 March 2022: 13,650)	10	6.40	8.52
Rameshwar Consultants Ltd.; NIL (31 March 2022: 80,000)	10	-	35.14
Sampoorna Merchandise Pvt. Ltd.; 1,41,000 (31 March 2022: 1,41,000)	10	304.83	408.14
		<b>617.80</b>	<b>800.75</b>
<b>Investments in others</b>			
- At fair value through profit or loss			
<b>Unquoted, fully paid-up</b>			
<b>1% Non-cumulative redeemable preference shares</b>			
Modern Hi-Rise Private Limited; 21,41,016 (31 March 2022: 21,41,016)	10	214.10	214.10
Mohini Agro Pvt Ltd (Formerly known as Himadri Industries Pvt Ltd); Nil (31 March 2022 : 4,97,260)	10	-	49.73
<b>0% Optionally Convertible Redeemable Preference Shares</b>			
Modern Hi-Rise Private Limited; 30 (31 March 2022: Nil)	10	-	6.85
		<b>214.10</b>	<b>270.68</b>
<b>Outside India</b>		-	-
<b>Total gross investments</b>		<b>2,143.41</b>	<b>2,189.13</b>
<b>Less: Impairment loss allowance</b>		-	-
<b>Total net investments</b>		<b>2,143.41</b>	<b>2,189.13</b>

**Notes:**

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 other comprehensive income (OCI) rather than profit or loss as these are strategic investments and the Company considered it relevant to classify it through OCI.

## Notes to financial statements for the year ended 31 March 2023 (Contd.)

- 7.1 The market value of investments is equal to the book value.
- 7.2 The Company has elected an irrevocable option to designate its investments in equity instruments through FVOCI, as the said investments are not held for trading and company continues to invest for long term.
- 7.3 Of the total dividend recognised during the year from investment in equity share designated at FVOCI Nil (Previous year: Nil) is relating to investment derecognised during the period and ₹ 2.97 lakhs (previous year ₹ 2.23 lakhs) pertains to investment held at the end of reporting period.
- 7.4 During the year, total cumulative gains (net of taxes) of ₹ 68.08 lakhs (P.Y. Nil) on investment in equity shares designated at FVOCI have been transferred to retained earnings on derecognition of related investments after adjusting for tax effect thereon.
- 7.5 The other disclosure regarding fair value and risk arising from financial instruments are explained in Note No. 36.

### 8. Other financial assets

(₹ in Lakhs)

	31 March 2023	31 March 2022
(Unsecured, considered good)		
Security and other deposits	0.35	0.35
	<b>0.35</b>	<b>0.35</b>

### 9. Current tax assets (net)

(₹ in Lakhs)

	31 March 2023	31 March 2022
Advance tax and tax deducted at source (net of provision)	–	12.46
	<b>–</b>	<b>12.46</b>

### 10. Property, plant and equipment

(₹ in Lakhs)

	Vehicles	Office equipments	Total own assets
<b>Gross carrying amount - at cost</b>			
As at 31 <sup>st</sup> March 2021	1.85	2.18	4.03
Additions	–	–	–
Disposals and transfers	–	–	–
As at 31 <sup>st</sup> March 2022	1.85	2.18	4.03
Additions	–	–	–
Disposals and transfers	–	–	–
As at 31 <sup>st</sup> March 2023	1.85	2.18	4.03
<b>Accumulated depreciation</b>			
As at 31 <sup>st</sup> March 2021	1.76	2.07	3.83
Depreciation charge during the year	–	–	–
Disposals and transfers	–	–	–
As at 31 <sup>st</sup> March 2022	1.76	2.07	3.83
Depreciation charge during the year	–	–	–
Disposals and transfers	–	–	–
As at 31 <sup>st</sup> March 2023	1.76	2.07	3.83
<b>Carrying amounts (net)</b>			
As on 31 <sup>st</sup> March 2022	0.09	0.11	0.20
As on 31 <sup>st</sup> March 2023	0.09	0.11	0.20

## Notes to financial statements for the year ended 31 March 2023 (Contd.)

### 11. Payables

(₹ in Lakhs)

	31 March 2023	31 March 2022
<b>Trade Payables</b>		
- Total outstanding dues of micro enterprises and small enterprises	–	–
- Total outstanding dues of creditors other than micro enterprises and small enterprises	1.28	1.73
	<b>1.28</b>	<b>1.73</b>

#### 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:

Particulars	31 March 2023	31 March 2022
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	–	–
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	–	–
(c) 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 Micro, Small and Medium Enterprises Development Act, 2006;	–	–
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year;	–	–
(e) 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 Micro, Small and Medium Enterprises Development Act, 2006.	–	–
	–	–

#### Trade payables ageing:

(₹ in Lakhs)

Particulars					
As at 31 March 2023	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	–	–	–	–	–
(ii) Others	1.28	–	–	–	1.28
(iii) Disputed dues- MSME	–	–	–	–	–
(iv) Disputed dues- others	–	–	–	–	–
<b>Total</b>	<b>1.28</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1.28</b>

As at 31 March 2022	Less than 1 year	1-2 years	2-3 years	More than 3 year	Total
(i) MSME	–	–	–	–	–
(ii) Others	1.73	–	–	–	1.73
(iii) Disputed dues- MSME	–	–	–	–	–
(iv) Disputed dues- others	–	–	–	–	–
<b>Total</b>	<b>1.73</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1.73</b>

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

**Notes to financial statements** for the year ended 31 March 2023 (Contd.)**12. Borrowings (other than debt securities)**

(₹ in Lakhs)

	31 March 2023	31 March 2022
<b>In India</b>		
<b>Unsecured, recorded at amortised cost</b>		
<b>Loan repayable on demand</b>		
- from related parties#	–	600.00
- from other parties	–	659.75
<b>Outside India</b>	–	–
	–	<b>1,259.75</b>

# Includes interest free loan of ₹ NIL (31 March 2022 - ₹ 600 Lakhs) from Modern Hi-Rise Private Limited

**13. Other Financial Liabilities**

(₹ in Lakhs)

	31 March 2023	31 March 2022
Interest accrued but not due on borrowings	–	7.49
Salary Payable	–	1.11
	–	<b>8.60</b>

**14. Provisions**

(₹ in Lakhs)

	31 March 2023	31 March 2022
Provision for leave encashment	0.25	0.20
Provision for income tax(Net off Income Tax Paid)	12.85	–
	<b>13.10</b>	<b>0.20</b>

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

(₹ in Lakhs)

	31 March 2023	31 March 2022
<b>Deferred tax assets</b>		
-On unabsorbed loss	–	–
-On Unrealised loss on Investments	120.16	106.88
<b>Deferred tax liabilities</b>		
-Unrealised profit on Investments	60.64	102.73
-Difference in depreciation on fixed assets	0.02	0.02
	59.50	4.13
	<b>59.50</b>	<b>4.13</b>

## Notes to financial statements for the year ended 31 March 2023 (Contd.)

### Movement in deferred tax assets/ liabilities balances

(₹ in Lakhs)

	As at 31 March 2021	Recognised in Profit or Loss	Recognised in OCI	As at 31 March 2022	Recognised in Profit or Loss	Recognised in OCI	As at 31 March 2023
<b>Deferred tax assets</b>							
Total deferred tax assets (A)	98.56	8.32	–	106.88	13.28	–	120.16
Total deferred tax liabilities (B)	(105.53)	–	2.78	(102.75)	–	42.09	(60.66)
Net deferred tax assets/ (liabilities) (A-B)	(6.97)	8.32	2.78	4.13	13.28	42.09	59.50
MAT credit	–	–	–	–	–	–	–
	(6.97)	8.32	2.78	4.13	13.28	42.09	59.50

Refer Note 28 of the Ind AS financials.

### 16. Other Non Financial Liabilities

(₹ in Lakhs)

	31 March 2023	31 March 2022
Statutory dues	0.38	0.89
	0.38	0.89

### 17. Share Capital

(₹ in Lakhs)

	31 March 2023	31 March 2022
<b>Authorised</b>		
40,00,000 (31 March 2022: 40,00,000) Equity Shares of ₹ 10/- each	400.00	400.00
<b>Issued, Subscribed &amp; Paid-Up</b>		
30,00,200 (31 March 2022: 30,00,200) Equity shares of ₹ 10/- each fully paid up	300.02	300.02
	300.02	300.02

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

(₹ in Lakhs)

Particulars	31 March 2023		31 March 2022	
	Number	Amount	Number	Amount
At the commencement of the year	30,00,200	300.02	30,00,200	300.02
Add: Issued during the year	–	–	–	–
At the end of the year	30,00,200	300.02	30,00,200	300.02

## Notes to financial statements for the year ended 31 March 2023 (Contd.)

### 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 ₹ 10 each. 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. The Company is a non-banking finance company, the objective of the Company is to invest in long term investments and granting of loans to ensure sustainable growth. The Company's objective is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment.

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

Name of Shareholder	As at 31 March 2023		As at 31 March 2022	
	No. of Shares held	% holding in that class of shares	No. of Shares held	% holding in that class of shares
Himadri Speciality Chemical Ltd.	3,34,900	11.16%	3,34,900	11.16%
Shyam Sunder Choudhary	8,73,800	29.12%	67,500	2.25%
Vijay Kumar Choudhary (HUF)	–	0.00%	1,60,000	5.33%
Bankey Lal Choudhary (HUF)	–	0.00%	1,55,600	5.19%
Anurag Choudhary	1,50,100	5.00%	1,50,100	5.00%

### E. Shares held by promoters at the end of the year

Promoter Name	31-03-2023			31-03-2022		
	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
Damodar Prasad Coudhary (HUF)#	1,00,000	3.33%	–	1,00,000	3.33%	–
Bankey Lal Choudhary (HUF)#	–	0.00%	-100.00%	1,55,600	5.19%	–
Bankey Lal Choudhary #	–	0.00%	-100.00%	32,600	1.09%	–
Vijay Kumar Choudhary #	–	0.00%	-100.00%	39,800	1.33%	–
Vijay Kumar Choudhary (HUF) #	–	0.00%	-100.00%	1,60,000	5.33%	–
Shyam Sundar Choudhary	8,73,800	29.12%	1194.52%	67,500	2.25%	–
Shyam Sundar Anurag Kumar HUF	1,42,000	4.73%	–	1,42,000	4.73%	–
Anurag Choudhary	1,50,100	5.00%	–	1,50,100	5.00%	–
Tushar Choudhary #	–	0.00%	-100.00%	95,600	3.19%	–
Amit Choudhary	70,100	2.34%	–	70,100	2.34%	–
Saroj Devi Choudhary #	–	0.00%	-100.00%	90,100	3.00%	–
Sushila Devi Choudhary #	–	0.00%	-100.00%	90,000	3.00%	–

**Notes to financial statements for the year ended 31 March 2023 (Contd.)**

Promoter Name	31-03-2023			31-03-2022		
	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
Rinku Choudhary	42,100	1.40%	–	42,100	1.40%	–
Sheela Devi Choudhary	90,000	3.00%	–	90,000	3.00%	–
Swaty Choudhary #	–	0.00%	-100.00%	50,000	1.67%	–
Shikha Choudhary	57,900	1.93%	–	57,900	1.93%	–
Kanta Devi Choudhary #	–	0.00%	-100.00%	92,600	3.09%	–
Himadri Speciality Chemical Ltd.	3,34,900	11.16%	–	3,34,900	11.16%	–

# The Board of Directors at its meeting held on 8 July 2022 noted that the Promoters of the Company have inter-se entered into a Family Settlement Agreement (“FSA”) pursuant to which Mr. Bankey Lal Choudhary, Mr. Vijay Kumar Choudhary, Mr. Tushar Choudhary, Ms. Sushila Devi Choudhary, Ms. Saroj Devi Choudhary, Ms. Kanta Devi Choudhary, Ms. Swaty Choudhary, Bankey Lal Choudhary (HUF), Vijay Kumar Choudhary (HUF) and Damodar Prasad Coudhary HUF (‘Outgoing Promoters’) have applied for reclassification from ‘Promoter/Promoter Group’ to ‘Public Category’ in accordance with Regulation 31A of SEBI Listing Regulations (“Reclassification”).

Thereafter, the shareholders of the Company on 16 December 2022 has approved the reclassification. The approval for application reclassification is pending with the Calcutta Stock Exchange.

**18. Other Equity**

(₹ in Lakhs)

Components	Note	1st April 2021	Movement during the year	31 March 2022	Movement during the year	31 March 2023
Retained earnings	a	3,165.27	105.94	3,271.21	175.86	3,447.07
Equity instruments through other comprehensive income	b	984.97	493.27	1,478.24	53.21	1,531.45
Reserve fund u/s 45-IC (1) of Reserve Bank of India Act, 1934	c	103.94	26.49	130.43	26.95	157.38
		<b>4,254.18</b>	<b>625.70</b>	<b>4,879.88</b>	<b>256.02</b>	<b>5,135.90</b>

- 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.
- 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.
- 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.

**Notes to financial statements** for the year ended 31 March 2023 (Contd.)**19. Interest income**

(₹ in Lakhs)

	31 March 2023	31 March 2022
<b>At amortised cost</b>		
Interest on unsecured loans	207.36	221.34
	<b>207.36</b>	<b>221.34</b>

**20. Dividend income**

(₹ in Lakhs)

	31 March 2023	31 March 2022
Dividend from investment in equity instruments	2.97	2.23
	<b>2.97</b>	<b>2.23</b>

**21. Net gain/ (loss) on fair value changes**

(₹ in Lakhs)

	31 March 2023	31 March 2022
<b>A. Net gain/ (loss) on financial instruments at fair value through profit or loss</b>		
On financial instruments designated at fair value through profit or loss	1.12	0.57
	<b>1.12</b>	<b>0.57</b>
<b>Fair value changes</b>		
- Realised	0.24	-
- Unrealised	0.88	0.57
	<b>1.12</b>	<b>0.57</b>

**22. Other Income**

(₹ in Lakhs)

	31 March 2023	31 March 2022
Interest on Income Tax Refund	0.12	-
	<b>0.12</b>	<b>-</b>

**23. Finance costs**

(₹ in Lakhs)

	31 March 2023	31 March 2022
<b>On financial liabilities measured at amortised cost</b>		
Interest on borrowings	4.79	37.40
Other interest expenses (on statutory payments)	0.01	-
	<b>4.80</b>	<b>37.40</b>

**24. Impairment on financial instruments**

(₹ in Lakhs)

	31 March 2023	31 March 2022
Impairment on financial instruments at amortised cost		
- Loans	(2.53)	(0.01)
	<b>(2.53)</b>	<b>(0.01)</b>

## Notes to financial statements for the year ended 31 March 2023 (Contd.)

### 25. Employees benefits expense

(₹ in Lakhs)

	31 March 2023	31 March 2022
Salaries	16.87	13.38
Contribution to provident fund	0.33	–
Staff welfare expenses	0.13	2.12
	<b>17.33</b>	<b>15.50</b>

### 26. Other expenses

(₹ in Lakhs)

	31 March 2023	31 March 2022
Rates and taxes	10.73	0.05
Printing and stationery	0.53	0.53
Advertisement	1.15	0.38
Director's sitting fees	0.90	0.42
Auditors' fees and expenses		
- Statutory audit fees	0.89	0.59
- Other services	0.83	0.53
Legal and professional charges	0.66	0.84
Travelling and conveyance	0.26	0.35
Miscellaneous expenses	2.35	1.89
	<b>18.29</b>	<b>5.58</b>

### 27. Earnings Per Share (EPS)

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

Particulars	31 March 2023	31 March 2022
Profit after tax attributable to equity shareholders (₹ in Lakhs)	134.73	132.43
Weighted average number of equity shares (basic and diluted)	30,00,200	30,00,200
<b>Earnings per share (Face value per share - ₹ 10)</b>		
Basic EPS	4.49	4.41
Diluted EPS	4.49	4.41

**Notes to financial statements** for the year ended 31 March 2023 (Contd.)**28. Income Taxes**

(₹ in Lakhs)

	31 March 2023	31 March 2022
<b>Amount recognised in statement of profit and loss</b>		
<b>Current tax expense</b>		
Current year	51.67	41.55
Prior years	0.56	–
	<b>52.23</b>	<b>41.55</b>
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	(13.28)	(8.31)
<b>Total tax expense</b>	<b>38.95</b>	<b>33.24</b>

(₹ in Lakhs)

<b>Reconciliation of income tax expense of the year to accounting year</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
<b>Profit before tax</b>	173.68	165.67
Tax using the company's domestic tax rate	25.17%	25.17%
Expected income tax expense	43.71	41.70
<b>Tax effect of:</b>		
- Non-deductible expenses	2.05	–
- Benefit of indexation under tax laws	(13.49)	(8.46)
- Income taxed at different rates	6.12	–
- Tax for earlier years	0.56	–
<b>Total income tax expense</b>	<b>38.95</b>	<b>33.24</b>

**29. Contingent liabilities**

(₹ in Lakhs)

	31 March 2023	31 March 2022
Claims against the Company not acknowledged as debt - Income tax matter	8.86	8.86

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

Anurag Choudhary	-	Key Managerial Personnel (Managing Director)
Amit Choudhary	-	Key Managerial Personnel (Non-Executive Director)
Santosh Kumar Agrawala	-	Key Managerial Personnel (Independent Director)
Suchitra Basu De	-	Key Managerial Personnel (Independent Director)
Mr. Bankey Lal Choudhary*	-	Key Managerial Personnel (Managing Director)
Mr. Tushar Choudhary*	-	Key Managerial Personnel (Non-Executive Director)
Koushik Ranjan Saha	-	Chief Financial Officer & Company Secretary

\*Resigned w.e.f. 8<sup>th</sup> July 2022

## Notes to financial statements for the year ended 31 March 2023 (Contd.)

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

Himadri Speciality Chemical Ltd

Mohini Agro Pvt Ltd (Formerly known as Himadri Industries Pvt Ltd)\*

Modern Hi-Rise Private Limited

Sri Agro Himghar Limited

Sampoorna Merchandise Pvt Ltd

Sitaram Management Private Limited\*

\*Related Party relationship ceased to exist w.e.f 8<sup>th</sup> July 2022 on resignation of certain KMP

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

(₹ in Lakhs)

Nature of transactions	31 March 2023	31 March 2022
<b>Dividend received</b>		
Himadri Speciality Chemical Ltd	2.97	2.23
<b>Repayment of borrowings</b>		
Modern Hi-Rise Private Limited	600.00	–
<b>Director's sitting fees</b>	0.90	0.42
<b>Remuneration</b>	10.23	7.68

(₹ in Lakhs)

Balances at year end :-

Particulars	31 March 2023	31 March 2022
<b>Borrowings (including interest accrued, if any)</b>		
Modern Hi-Rise Private Limited	–	600.00
<b>Investment held</b>		
Himadri Speciality Chemical Ltd	1,295.59	1,102.66
Modern Hi-Rise Private Limited	222.95	221.63
Mohini Agro Pvt Ltd (Formerly known as Himadri Industries Pvt Ltd)*	–	49.76
Sampoorna Merchandise Pvt Ltd	304.83	408.14
Sri Agro Himghar Limited	255.62	303.49
Sitaram Management Pvt. Ltd.*	–	19.16

\* Related Party relationship ceased to exit w.e.f. 8<sup>th</sup> July, 2022 on resignation of certain KMP.

**Notes to financial statements** for the year ended 31 March 2023 (Contd.)**31. Maturity analysis of assets & liabilities**

(₹ in Lakhs)

Particulars	31 March 2023		31 March 2022	
	Current	Non-Current	Current	Non-Current
<b>ASSETS</b>				
<b>Financial Assets</b>				
(a) Cash and cash equivalents	53.97	–	41.34	–
(b) Loans	3,193.25	–	4,203.46	–
(c) Investments	15.92	2,127.49	15.04	2,174.09
(d) Other financial assets	–	0.35	–	0.35
	3,263.14	2,127.84	4,259.84	2,174.44
<b>Non-Financial Assets</b>				
(a) Current tax assets (net)	–	–	12.46	–
(b) Deferred tax assets (net)	–	59.50	–	4.13
(c) Property, plant and equipment	–	0.20	–	0.20
	–	59.70	12.46	4.33
<b>TOTAL ASSETS</b>	3,263.14	2,187.54	4,272.30	2,178.77
<b>LIABILITIES</b>				
<b>Financial Liabilities</b>				
(a) Payables				
(l) Trade payables				
- Total outstanding dues of micro enterprises and small enterprises	–	–	–	–
- Total outstanding dues of creditors other than micro enterprises and small enterprises	1.28	–	1.73	–
(b) Borrowings (other than debt securities)	–	–	1,259.75	–
(c) Other financial liabilities	–	–	8.60	–
	1.28	–	1,270.08	–
<b>Non Financial Liabilities</b>				
(a) Provisions	13.10	–	0.20	–
(b) Deferred tax liabilities (net)	–	–	–	–
(c) Other non financial liabilities	0.38	–	0.89	–
	13.48	–	1.09	–
<b>TOTAL LIABILITIES</b>	14.76	–	1,271.17	–
<b>NET</b>	3,248.38	2,187.54	3,001.13	2,178.77

**32. Change in liabilities arising from financing activities disclosed as per Ind AS 7, Cash flow statements**

(₹ in Lakhs)

Particulars	As at April 01, 2022	Cash Flows	Change in Fair Value	Others	As at March 31, 2023
Borrowings Other than debt Securities	1,259.75	(1,259.75)	–	–	–

Particulars	As at April 01, 2021	Cash Flows	Change in Fair Value	Others	As at March 31, 2022
Borrowings Other than debt Securities	1,371.75	(112.00)	–	–	1,259.75

## Notes to financial statements for the year ended 31 March 2023 (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. Exposure to Capital Market

(₹ in Lakhs)

Particulars	31 March 2023	31 March 2022
i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	1,913.39	1,903.41
ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	–	–
iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	–	–
iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	–	–
v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	–	–
vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	–	–
vii) bridge loans to companies against expected equity flows / issues;	–	–
viii) underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	–	–
ix) financing to stockbrokers for margin trading	–	–
x) all exposures to Alternative Investment Funds:	–	–
(a) Category I	–	–
(b) Category II	–	–
(c) Category III	–	–
<b>Total Exposure to Capital Market</b>	<b>1,913.39</b>	<b>1,903.41</b>

## Notes to financial statements for the year ended 31 March 2023 (Contd.)

### 36. Financial instruments and related disclosures

#### 36.1 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.

(₹ in Lakhs)

	Note No.	As at 31st March 2023			As at 31st March 2022		
		Carrying amount	Fair value		Carrying amount	Fair value	
			Level 1	Level 3		Level 1	Level 3
<b>A. Financial assets:</b>							
<b>a) Measured at amortised cost</b>							
Cash and cash equivalents	5	53.97	-	-	41.34	-	-
Loans	6	3,193.25	-	-	4,203.46	-	-
Other financial assets	8	0.35	-	-	0.35	-	-
<b>b) Measured at fair value through profit or loss</b>							
Investments	7						
- Mutual Funds		15.92	15.92	-	15.04	15.04	-
- Unquoted Preference Shares		214.10	-	214.10	270.68	-	270.68
<b>c) Measured at fair value through other comprehensive income</b>							
Investments in Equity Shares	7	1,913.39	1,295.59	617.80	1,903.41	1,102.66	800.75
<b>B. Financial liabilities:</b>							
<b>a) Measured at amortised cost</b>							
Borrowings	12	-	-	-	1,259.75	-	-
Payables	11	1.28	-	-	1.73	-	-
Other financial liabilities	13	-	-	-	8.60	-	-

#### 36.2 Fair value measurement

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged 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.

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

Net Asset value of share has been considered as fair value for unquoted investments in equity shares measured at FVTOCI. Cost is approximate estimate of fair value for unquoted investments in preference shares measured at FVTOCI. There has been no change in the valuation methodology for Level 3 inputs during the year. There has been no movement in Level 3 investments except for fair value change and addition on account of bonus shares issued.

There were no transfers between Level 1 and Level 2 during the year.

## Notes to financial statements for the year ended 31 March 2023 (Contd.)

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.

(₹ in Lakhs)

Reconciliation of Level 3 fair value measurement is as below:

Particulars	31 March 2023	31 March 2022
Balance at the beginning of the year	1,071.43	1,065.50
Addition during the year	–	6.85
Sales during the year	(84.90)	–
Fair Value Changes during the year	(154.63)	(0.92)
<b>Balance at the end of the year</b>	<b>831.90</b>	<b>1,071.43</b>

### 36.3 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 maybe updated as and when required subject to approval of Board of Directors.

## Notes to financial statements for the year ended 31 March 2023 (Contd.)

### (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.

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

(₹ in Lakhs)

Particulars	As at 31 March 2023			As at 31 March 2022		
	< 1 year	1-5 years	> 5 years	< 1 year	1-5 years	> 5 years
Borrowings	–	–	–	1,259.75	–	–
Payables	1.28	–	–	1.73	–	–
Other financial liabilities	–	–	–	8.60	–	–
	1.28	–	–	1,270.08	–	–

### (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.

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.

## Notes to financial statements for the year ended 31 March 2023 (Contd.)

A sensitivity analysis demonstrating the impact of the change in market prices of listed equity instruments from the prices existing as at the reporting date is given below: (₹ in Lakhs)

Particulars	Carrying value as at	
	31 March, 2023	31 March, 2022
Investments carried at FVTOCI valued using quoted prices in active market	1,295.59	1,102.66

Particulars	Sensitivity analysis on total comprehensive income upon fluctuation of market prices	
	Increase by 10 %	Decrease by 10 %
Impact on total comprehensive income for year ended 31 March 2023	129.56	(129.56)
Impact on total comprehensive income for year ended 31 March 2022	110.27	(110.27)

Equity instrument through OCI being a component of other equity would increase/decrease as a result of gain/loss on equity securities classified as fair value through Other Comprehensive Income.

### (c) Currency risk

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

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

The Company has adequate cash and bank balances. The Company monitors its capital by a careful scrutiny of the cash and bank balances, and a regular assessment of any debt requirements. In the absence of any debt, the maintenance of debt equity ratio etc. may not be of any relevance to the Company.

Particulars	(₹ in Lakhs)	
	As at 31 March 2023	As at 31 March 2022
Borrowings		1,259.75
Less: Cash and cash equivalents		41.34
<b>Adjusted net debt</b>	<b>Not applicable</b>	<b>1,218.41</b>
Total Equity		5,179.90
Adjusted net Debt-Equity ratio		0.2352

**Notes to financial statements** for the year ended 31 March 2023 (Contd.)**38. Ratios as per the Schedule III Requirements :**

(₹ in Lakhs)

Ratios		As at March 31, 2023	As at March 31, 2022	Variance %	Reason for variance if > 25%
(a)	Capital to risk-weighted assets ratio (CRAR)	100.77%	74.45%	35.36%	The variance is due to receipt of loan given to Rocky Marketing Pvt Ltd.
(b)	Tier I CRAR	100.77%	74.45%	35.36%	The variance is due to receipt of loan given to Rocky Marketing Pvt Ltd.
(c)	Tier II CRAR	Not Applicable	Not Applicable	Not Applicable	
(d)	Liquidity Coverage Ratio	Not Applicable	Not Applicable	Not Applicable	

**Ratio Calculation Formula****Ratios**

- (a) Capital to risk-weighted assets ratio(CRAR),  
 (b) Tier I CRAR  
 (c) Tier II CRAR  
 (d) Liquidity Coverage Ratio

**Calculation Formula**

- Total capital funds/Total risk weighted assets  
 Capital funds – Tier I/Total risk weighted assets  
 Capital funds – Tier II/Total risk weighted assets  
 Total HQLA (Maintained)/ Total Net Cash Outflows

**39. Registration of Charge or satisfaction with Registrar of Companies (ROC)****Charges that were satisfied but not yet closed with Registrar of Companies (ROC):**

Charge ID	Assets under Charge	Charge Amount	Date of Creation	Reason for non registration
10224701	Book debts; Floating charge; Movable property (not being pledge)	3,150.00	06-05-2010	Certain Paper documentation pending with Bank.

**40. Other Regulatory Information**

- (i) The Company has not given any loans and advances to the KMP, promoters or related parties, either severally or jointly with another person, that are (i) repayable on demand or (ii) without specifying any terms or periods of repayment.
- (ii) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (iii) The company does not have any transactions with companies struck off.
- (iv) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

## Notes to financial statements for the year ended 31 March 2023 (Contd.)

- (v) The Company has not advanced or given loan or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- (viii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (ix) The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.

**41.** Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever considered necessary to conform to this year's classification. Accordingly, amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to amounts and other disclosures relating to the current year.

**RBI disclosures from Notes 42 to 45 have been prepared as per RBI Circulars / Directives basis Ind-AS financial statements. RBI disclosures are prepared basis gross carrying value of loans.**

**42.** 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 2023

(₹ in Lakhs)

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
<b>Performing Assets</b>						
Standard	Stage 1	3,201.25	8.00	3,193.25	8.00	-
	Stage 2	-	-	-	-	-
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
<b>Total</b>		<b>3,201.25</b>	<b>8.00</b>	<b>3,193.25</b>	<b>8.00</b>	<b>-</b>

**Notes to financial statements** for the year ended 31 March 2023 (Contd.)

As at 31st March 2022

(₹ in Lakhs)

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
<b>Performing Assets</b>						
Standard	Stage 1	4,214.00	10.54	4,203.46	10.54	-
	Stage 2	-	-	-	-	-
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
<b>Total</b>		<b>4,214.00</b>	<b>10.54</b>	<b>4,203.46</b>	<b>10.54</b>	<b>-</b>

43. 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

(₹ in Lakhs)

Particulars			
Liabilities side			
		31.03.2023	31.03.2022
1	Loans and advances availed by the nonbanking financial company inclusive of interest accrued thereon but not paid :		
a	Debtentures : 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	-	-
g	Other loans (Represents Working Capital Demand Loans)	-	1,268.35

**Notes to financial statements for the year ended 31 March 2023 (Contd.)**

(₹ in Lakhs)

Assets side			
<b>2</b>	<b>Break-up of loans and advances including bills receivables (other than those included in (4) below):</b>	<b>31.03.2023</b>	<b>31.03.2022</b>
a	Secured	–	–
b	Unsecured	3,201.25	4,214.00
<b>3</b>	<b>Break-up of leased assets and tock on hire and other assets counting towards asset finance activities:</b>		
(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	–	–
<b>4</b>	<b>Break-up of investments:</b>		
	<b>Current investments:</b>		
<b>A</b>	<b>Quoted</b>		
i	<b>Shares:</b>		
a	Equity	–	–
b	Preference	–	–
ii	Debentures and bonds	–	–
iii	Units of mutual funds	15.92	15.04
iv	Government securities	–	–
v	Others	–	–
<b>B</b>	<b>Unquoted</b>		
i	<b>Shares:</b>		
a	Equity	–	–
b	Preference	–	–
ii	Debentures and bonds	–	–
iii	Units of mutual funds	–	–
iv	Government securities	–	–
v	Others	–	–

**Notes to financial statements** for the year ended 31 March 2023 (Contd.)

(₹ in Lakhs)

Particulars		31.03.2023	31.03.2022
<b>Long term investments</b>			
<b>A</b>	<b>Quoted:</b>		
i	<b>Shares:</b>		
a	Equity	1,295.59	1,102.66
b	Preference	–	–
ii	Debentures and bonds	–	–
iii	Units of mutual funds	–	–
iv	Government securities	–	–
v	Others	–	–
<b>B</b>	<b>Unquoted</b>		
i	<b>Shares:</b>		
a	Equity	617.80	800.75
b	Preference	214.10	270.68
ii	Debentures and bonds	–	–
iii	Units of mutual funds	–	–
iv	Government securities	–	–
v	Others	–	–
<b>Total</b>		<b>5,344.66</b>	<b>6,403.13</b>

**5 Borrower group-wise classification of assets financed as in (3) and (4) above:** (₹ in Lakhs)

Category	Amount net of provisions 31.03.2023		
	Secured	Unsecured	Total
<b>A</b>	<b>Related parties</b>		
a	Subsidiaries	-	-
b	Companies in the same group	-	-
c	Other related parties	-	-
<b>B</b>	<b>Other than related parties</b>		
	<b>Total</b>	<b>3,193.25</b>	<b>3,193.25</b>

(₹ in Lakhs)

Category	Amount net of provisions 31.03.2022		
	Secured	Unsecured	Total
<b>A</b>	<b>Related parties</b>		
a	Subsidiaries	-	-
b	Companies in the same group	-	-
c	Other related parties	-	-
<b>B</b>	<b>Other than related parties</b>		
	<b>Total</b>	<b>4,203.46</b>	<b>4,203.46</b>

**Notes to financial statements for the year ended 31 March 2023 (Contd.)**
**6 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) (₹ in Lakhs)**

Category	31.03.2023		31.03.2022	
	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)
<b>A Related parties</b>				
a Subsidiaries	-	-	-	-
b Companies in the same group	1,295.59	1,295.59	1,102.66	1,102.66
c Other related parties	799.32	799.32	1,002.18	1,002.18
<b>B Other than related parties</b>	48.50	48.50	84.29	84.29
<b>Total</b>	<b>2,143.41</b>	<b>2,143.41</b>	<b>2,189.13</b>	<b>2,189.13</b>

**8 Other information**

Particulars	31.03.2023	31.03.2022
<b>(i) Gross non-performing assets</b>		
a Related parties	-	-
b Other than related parties	-	-
<b>(ii) Net non-performing assets</b>		
a Related parties	-	-
b Other than related parties	-	-
<b>(iii) Assets acquired in satisfaction of debt</b>	-	-

**44 Other RBI disclosures:**

- (i) **Penalties imposed by RBI and Other Regulators:** Fine of ₹ 10.68 lakh had been paid to CSE on account on delay in submission of unaudited financial results for the quarter ended 30<sup>th</sup> September 2021 and 31<sup>st</sup> December 2021 and audited financial results for the quarter and year ended 31<sup>st</sup> March 2022 (Previous year - NIL).
- (ii) **Disclosure on frauds pursuant to RBI Master direction:** No frauds were detected and reported for the current year and previous year.
- (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.

**45.** 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 and Circular DOR.No.BP.BC/3/21.04.048/2020-21 dated 06 August 2020 pertaining to (Prudential Framework for Resolution of Stressed Assets) Directions 2019 is not applicable to the Company.

As per our report of even date attached

**For S. Jaykishan**

Chartered Accountants

Firm's Registration Number : 309005E

Sd/-

**CA VISHAL AGARWAL**

Partner

Membership No. 315490

Place : Kolkata

Date: The 26<sup>th</sup> day of May, 2023

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

Sd/-

**ANURAG CHOUDHARY**

Managing Director

(DIN: 00173934)

Sd/-

**AMIT CHOUDHARY**

Director

(DIN: 00152358)

Sd/-

**KOUSHIK RANJAN SAHA**

CFO & Company Secretary



*If undelivered please return to:*

**Himadri Credit & Finance Limited**

Registered Office:  
23A, Netaji Subhas Road,  
8<sup>th</sup> Floor, Kolkata 700001