

HERALD COMMERCE LTD.

10, Princep Street
2nd Floor, Kolkata 700 072
Phone: 033-2225-6851, 3292 5520
Fax: (033) 2237 -9053
E-Mail: info@heraldcommerce.com
Website: www.heraldcommerce.com
CIN: L51909WB1982PLC035364

Dated: 15.10.2018

The Secretary
The Calcutta Stock Exchange Ltd.
7, Lyons Range
Kolkata – 700 001

Dear Sir/ Madam,

Sub: Submission of Annual Report for the financial year 2017-2018

Pursuant to Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of Annual Report for the financial year 2017-2018.

This is for your information & record.

Thanking you.

Yours faithfully,
For **Herald Commerce Limited**



Purnna Chandra Barik
(Director)
DIN: 02968931

HERALD COMMERCE LIMITED

36th Annual Report, 2018

BOARD OF DIRECTORS

SHRI BIKASH ADHIKARY
SMT. KRISHNA BANERJEE
SHRI SANJAY DAS
SHRI PURNNA CHANDRA BARIK

AUDITORS

M/s. P. K. AJITSARIA & CO.
Chartered Accountants

BANKERS

CANARA BANK
HDFC BANK
ORIENTAL BANK OF COMMERCE

REGISTERED OFFICE

10, PRINCEP STREET
2ND FLOOR
KOLKATA - 700 072
Phone: (033) 4002-2880
E-mail: info@heraldcommerce.com
hercominfo@gmail.com
Website: www.heraldcommerce.com
CIN: L51909WB1982PLC035364

REGISTRAR & SHARE TRANSFER AGENTS

MAHESHWARI DATAMATICS PVT. LTD
23, R. N. KUKHERJEE ROAD, 5TH FLOOR
KOLKATA - 700 001
Phone: (033) 2243-5029 / 2248-2248
Fax: (033) 2248-4787
Email: mdpldc@yahoo.com

NOTICE

NOTICE is hereby given that the Thirty-Sixth Annual General Meeting of the company will be held on Thursday, 27th day of September, 2018 at 01.30 p.m. at the "Somani Conference Hall" Merchants Chamber of Commerce, 15B, Hemanta Basu Sarani, Kolkata - 700001 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 31st March, 2018 together with the reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri. Bikash Adhikary (DIN: 07478898) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. Jain Sonu & Associates, Chartered Accountants (Firm Registration No. 324386E), as the Statutory Auditors of the Company for a term of three consecutive years, who shall hold office from the conclusion of ensuing Annual General Meeting (AGM) till the conclusion of the Thirty-Ninth AGM of the Company to be held in the year 2021 and to fix their remuneration, in place of M/s. P. K. Ajitsaria & Co., Chartered Accountants (Firm Registration No. 317046E), due to resignation of the Statutory Auditors.

Registered Office :
10, Princep Street
2nd Floor
Kolkata - 700 072
Date : 14th August, 2018

By the order of the Board
For **Herald Commerce Limited**
Krishna Banerjee
Director
(DIN : 06997186)

NOTES :

1. **A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a Member of the Company. Proxies, in order to be effective, must be received at the Registered Office of the Company at 10, Princep Street, 2nd Floor, Kolkata 700 072, not less than forty-eight hours before the commencement of the Annual General Meeting.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. As per Secretarial Standard 2, the Proxy-holder are requested to bring valid identity proofs (viz, PAN Card, Voter ID Card, Passport, Aadhar Card etc.) at the venue of the meeting for identification.
2. Corporate members intending to send their authorized representatives to attend the Annual General Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Notice of Annual General Meeting is being sent to all the Members, whose names appear in the Register of Members/list of Beneficial Owners as received from Depositories on 3rd August, 2018. Any member who acquire shares and became Member after dispatch of Notice and Annual Report may obtain the same from Company website: www.heraldcommerce.com or may request for a copy of the same by writing to the Company at info@heraldcommerce.com/hercominfo@gmail.com or Registrar and Share Transfer Agent ('Registrar') at mdpldc@yahoo.com .
4. Members are requested to bring their attendance slip along with their copy of Annual Report to the Annual General Meeting. Members holding shares in dematerialised form are requested to bring their supporting evidence in respect of their Client ID & DP ID Nos. for easier identification of the attendance at the meeting.
5. In case of joint holders attending the meeting, only such joint holder who is higher in order of names will be entitled to vote.
6. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Registrar and Share Transfer Agent ('Registrar').
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Member holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar.
8. Members holding shares in the physical form and desirous of making/changing nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013 and Rules made there under are requested to submit the prescribed Form No. SH-13 and SH-14, as applicable for this purpose to the Company's Registrar, who will provide the Form on request.
9. Equity shares of the Company are under compulsory demat trading by all investors. Considering the advantage of scripless trading, members are encouraged to consider dematerialisation of their shareholding so as to avoid inconvenience in future.
10. Members are requested to inform their correct email address, if any to the Depositories (if shares held in demat form) and to our Registrar (if shares are held in physical form) in compliance of Green Initiative circular no. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by Ministry of Corporate Affairs to facilitate the Company to send notice/document through e-mail.
11. Members holding shares in multiple folios are requested to submit their application to Registrar for consolidation of folios into single folio.

12. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
13. Additional information to be provided as per the requirements of Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 pertaining to the Directors being appointed/ re-appointed at the Annual General Meeting, forms an integral part of the Notice.
14. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the registered office of the Company on all working days, during business hours up to the date of the Annual General Meeting.
15. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 21st September 2018 to Thursday, 27th September 2018 (both days inclusive).
16. **Process and Manner for Members opting to vote through electronic means :**
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management & Administration) Rules, 2014 as ammended , Regulation 44 of the Listing Regulations and any other applicable provisions, if any, the Company is pleased to provide members facility to exercise their right to vote using an electronic voting system from a place other than the venue of the AGM (“remote e-voting”) at the 36th Annual General Meeting (AGM) and the business may be transacted through remote e-voting services provided by Central Depository Services (India) Limited (CDSL). It is hereby clarified that it is not mandatory for member to vote using the remote e-voting facility, and member may avail of the facility at his/her/its discretion. **The instructions for e-voting are as under :**
 - (i) Log on to the e-voting website www.evotingindia.com
 - (ii) Click on “Shareholders” tab.
 - (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (iv) Next enter the Image Verification as displayed and Click on Login.
 - (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (vi) However, If you are a first time user, follow the steps given below :

For Members holding shares in Demat Form and Physical Form

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
Dividend Bank Details or Date of Birth #	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.

*Members who have not updated their PAN with the Company/Depository Participant are requested to enter in the PAN field the first two letters of their name and 8 digit (including zeros) sequence number communicated to you. In case the sequence number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

In case both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field.

Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <HERALD COMMERCE LIMITED> on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App store and Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xviii) Note for Non-Individual Shareholders & Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA)

which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

- (xix) The voting period begins on Monday, 24th September, 2018 at 9.00 a.m. and ends on Wednesday, 26th September, 2018 at 5.00 p.m. During this period shareholder's of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date of 20th September, 2018**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (xx) Any person who acquired shares and became Member after dispatch of Notice of 36th AGM and holds shares as of the cut-off date of 20th September, 2018 may obtain the login ID and password for remote e-voting by sending a request to the Company's RTA at mdpldc@yahoo.com
- (xxi) A facility for voting through Ballot paper shall be made available at the AGM venue and the Members attending the meeting who have not cast their vote by remote e-voting can exercise their right during the meeting on 27th September, 2018 between 01.30 P.M. till the conclusion of the meeting.
- (xxii) For abundant clarity, please note that Members who have already cast their vote by remote e-voting prior to the meeting date may also attend the meeting but shall not be entitled to cast their vote again. However, in case members cast their vote exercising both options i.e., physical and e-voting, then vote casted through e-voting shall only be taken into consideration and treated as valid whereas vote casted physically at the meeting shall be treated as invalid.
- (xxiii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- II. The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 20th September, 2018.
- III. Mr. Atul Kumar Labh (C.P. No. 3238, Membership No. FCS 4848) of A. K. Labh & Co., Practicing Company Secretaries has been appointed as Scrutinizer to scrutinize the remote e-voting and voting process to be carried out at the AGM in a fair and transparent manner.
- IV. The Scrutinizer shall within forty eight hours from the conclusion of meeting unblock the votes cast through remote e-voting, after counting the votes cast at the meeting in the presence of at least two witnesses not in employment of the Company and make a consolidated scrutinizer's report of the votes cast in favour or against, if any, and forward to the Chairman of the AGM who shall countersign the same and declare the Results of the voting forthwith and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite numbers of votes in favour of the resolutions.
- V. The consolidated results declared along with the Scrutinizer's report shall be placed on the Company's website and on the website of CDSL within three days of passing of the resolutions at the AGM of the Company. The results will also be communicated to the Stock Exchanges where shares of the Company are listed.

Registered Office :
10, Princep Street
2nd Floor
Kolkata - 700 072
Date : 14th August, 2018

By the order of the Board
For **Herald Commerce Limited**
Krishna Banerjee
Director
(DIN : 06997186)

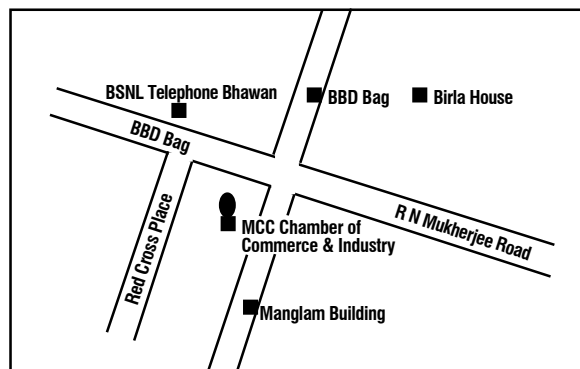
Additional Information of the Directors seeking appointment/re-appointment at the Annual General Meeting in pursuance of Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 :

Name of the Director	Shri Bikash Adhikary
DIN	07478898
Date of Birth	08/04/1976
Date of Appointment	11/11/2017
Qualification	B.Com
Expertise in specific functional area	Shri Adhikary has a vast experience in corporate matters.
Directorship of other public companies (*) (As at 31.03.2018)	Amluckie Investment Co Ltd Niharika India Ltd Bullpower Vyapar Ltd Parichay Infraprojects Limited Jalvayu Power Limited
Chairman/Membership in the Committees of other public companies(**)	Member of Audit Committee and Stakeholder Relationship Committee - Amluckie Investment Co Ltd Niharika India Ltd.
Details of Shareholding in the Company	—

(*) Excluding directorship held in private limited/foreign companies and Companies registered under Section 8 of Companies Act, 2013.

(**) Audit Committee & Stakeholders Relationship Committee are considered.

Route map of the Venue of the Annual General Meeting is appended below :



DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Thirty-Sixth Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2018.

1. FINANCIAL HIGHLIGHTS

The financial performance of the Company for the year under review are given below :

Particulars	Year ended 31.03.2018 (Rs.)	Year ended 31.03.2017 (Rs.)
Profit before Tax and Exceptional Items	33,56,435.67	(6,66,616.73)
Less : Exceptional Items :		
i) Sundry Balances Written off	—	—
ii) Previous year adjustment	—	—
Profit/(Loss) Before Tax	33,56,435.67	(6,66,616.73)
Tax Expense :		
Current Tax	(6,38,917.00)	—
Tax related to previous year	—	—
Profit/(Loss) after Tax	27,17,518.67	(6,66,616.73)

2. DIVIDEND

In view of the loss incurred during the year under review, the Board of Directors did not recommend any dividend for the financial year ended 31st March, 2018.

During the year under review, no amount was transferred to General Reserve.

3. PERFORMANCE REVIEW

The Company has earned profit of Rs. 27,17,518.67/- during the financial year ended 31st March, 2018. The performance of the Company needs lot of improvement in view of making profit. Your Directors are making all efforts to improve the performance of the Company in future.

4. CHANGE IN NATURE OF BUSINESS, IF ANY

There was no change in the nature of business of the Company during the financial year ended 31st March, 2018.

5. SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

The Company has four subsidiaries: Accord Tracon Pvt. Ltd., Arissan Infrastructures Pvt. Ltd., Rangbarshi Projects Pvt. Ltd. and Saltlake Energy Pvt. Ltd. Since the audited statements of accounts of subsidiary companies have not been received and merged, the relevant disclosures could not be made.

The Company does not have any associate or joint venture companies. A statement containing the silent features of the financial position of the subsidiary companies in Form AOC-1 is annexed herewith as Annexure I.

6. SHARE CAPITAL

The paid up equity capital as on March 31, 2018 was Rs. 2089.70 Lakhs. During the year under review, the Company has not issued shares with differential voting rights nor has granted stock options or sweat equity.

7. LISTING OF EQUITY SHARES

The Equity Shares of your Company are presently listed on Calcutta Stock Exchange (CSE). The reason for suspension of shares of the Company from trading in CSE has not been communicated and your directors are taking necessary steps for the same.

Listing fees for the financial year 2018-19 have been paid to Stock Exchange. The Company has paid the annual custodian fees to NSDL and CDSL for the Securities of the Company held in dematerialized mode with them for the year 2018-2019.

8. DEPOSITS

During the year under review, your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

9. LOANS, GUARANTEES AND INVESTMENTS

Pursuant to Section 186(11) of the Companies Act, 2013, your Company being the non-banking financial Company are exempted from disclosure in the Annual Report.

10. CORPORATE SOCIAL RESPONSIBILITY

The provisions of the Companies Act, 2013 regarding Corporate Social Responsibilities are not applicable to the Company.

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the Articles of Association and provisions of the Companies Act, 2013, Shri Bikash Adhikary (DIN : 07478898) retire by rotation and being eligible offer himself for re-appointment. The Board recommends his re-appointment for the approval of the members.

Shri Bikash Adhikary was appointed as an Additional Director of the Company w.e.f. 11th November, 2017. By virtue of Section 161 of the Companies Act, 2013 he shall vacate office at the conclusion of ensuing Annual General Meeting of the Company. Members are requested to appoint him as Director of the Company.

Brief resume of Director seeking re-appointment in pursuance of Regulation 36(3) of SEBI (LODR) Regulations, 2015 forms part of the Notice of 36th Annual General Meeting of the Company.

Shri Arun Nath was resigned from the post of directorship of the Company w.e.f. close of business hours on 11th November, 2017.

Shri Tara Shankar Chatterjee, Chief Financial Officer, resigned from his post in the Company w.e.f. close of business hours on 11th November, 2017.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Act and Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015.

12. BOARD EVALUATION

Pursuant to the provisions of the Act and SEBI (LODR) Regulations, 2015, the Board has carried

out an evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its committee.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Director and Non Independent Director was carried out by the Independent Directors at their meeting without the attendance of Non-Independent Directors and members of the management. The Directors were satisfied with the evaluation results.

13. NUMBER OF MEETINGS OF THE BOARD

The details of the number of meetings of the Board held during the financial year 2017-2018 forms part of Report on Corporate Governance.

14. INTERNAL FINANCIAL CONTROL

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control system and suggests improvements to strengthen the same. In opinion of the board, the existing internal control framework is adequate and commensurate to the size and nature of the business of the Company. During the year such controls were tested and no reportable material weaknesses in the design or operation were observed.

15. NOMINATION & REMUNERATION POLICY

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and other employees of the Company. This Policy has also laid down the criteria for determining qualifications, positive attributes, independence of Director and Board diversity and criteria for evaluation of Board, its Committee and individual Directors. The policy is stated in the Report on Corporate Governance.

16. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has a mechanism called "Whistle Blower Policy" for Directors and employees to report genuine concerns or grievances. The policy is available on the website of the Company (www.heraldcommerce.com).

17. RISK MANAGEMENT POLICY

The Company has a Risk Management Policy in accordance with the provisions of the Act and SEBI (LODR) Regulations, 2015, which provides a mechanism for risk assessment and mitigation.

At present the Company has not identified any element of risk which may threaten the existence of the Company.

18. RELATED PARTIES TRANSACTION

All related party transactions that were entered into during the financial year were in the ordinary course of the business and were on arm's length basis. Thus disclosure in Form AOC-2 is not required. Further there were no materially significant related party transactions entered by the company with Promoters, Directors, Key Managerial Personnel or other persons which may have potential conflict with interest of the company. The policy on Related Party transaction as approved by Board of Directors has been uploaded on the website of the Company. The web link of the same is www.heraldcommerce.com

Details of the transactions with Related Parties are provided in the accompanying financial statements.

19. SIGNIFICANT AND MATERIAL ORDER PASSED BY THE REGULATORS OR COURTS

During the year, the Reserve Bank of India had passed an order for cancellation of registration of the Company to carry on business activities of Non-Banking Financial Company. In the concerned matter, your Company has filed an appeal before Appellate Authority for NBFC-Ministry of Finance. This order shall neither impact the going concern status of the Company nor its future operation.

20. DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that :

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) the directors have prepared the annual accounts on a going concern basis.
- v) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) the directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

21. AUDITORS' REPORT/SECRETARIAL AUDIT REPORT

The observation made in the Auditors' Report read together with relevant notes thereon are self explanatory and hence, do not call for any further comments under Section 134 of the Companies Act, 2013.

The observation made in the Secretarial Audit Report are self explanatory and hence, do not call for any further comments.

22. AUDITORS**• Statutory Auditors**

M/s. Jain Sonu & Associates, Chartered Accountants are proposed to be appointed as Statutory Auditors of the Company at the ensuing Annual General Meeting to be held on 27th September, 2018, for a term of three consecutive years in place of M/s. P. K. Ajitsaria & Co., Chartered Accountants who had resigned as the Statutory Auditors of the Company.

In this regard, the Company has obtained a written consent under Section 139 of the Companies Act, 2013 from the Statutory Auditors of such continued appointment and also a certificate from them to the effect that their appointment, if appointed, would be in accordance with the conditions prescribed under the Companies Act, 2013 and the rules made thereunder, as may be applicable.

• Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s. N. Purohit & Associates, Practising Company Secretaries in place of M/s. B. K. Barik & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit

of the Company for the year ended 31st March, 2018 due to sudden resignation of M/s. B. K. Barik & Associates. The Secretarial Audit Report is annexed herewith as Annexure I.

• **Internal Auditor**

M/s. Dash & Associates, Chartered Accountants performed the duties of internal auditors of the company for the year ended 31st March, 2018.

23. EXTRACT OF ANNUAL RETURN

Pursuant to Section 92 (3) of the Act and Rule 12 (1) of The Companies (Management and Administration) Rules, 2014, the extract of Annual Return in form MGT-9 is annexed herewith as Annexure III.

24. MATERIAL CHANGES

There have been no material changes and commitments affecting the financial position of the company, which have occurred since 31st March 2018, being the end of the Financial Year of the Company to which financial statements relate.

Further, this is to inform you that our Board of Directors are planning to merge one of its subsidiary company, i.e. Accord Tracon Pvt Ltd to increase the Net worth or financial position of the Company.

25. FOREIGN EXCHANGE

During the period under review there was no foreign exchange earnings or out flow.

26. STATUTORY INFORMATION

Since the Company does not own any manufacturing facility, requirement regarding the disclosure of particulars of conservation of energy and technology absorption prescribed by the rules is not applicable.

27. PARTICULARS OF EMPLOYEES

The Company had no employee who were in receipt of more than Rs. 1.02 crores per annum during the year ended 31st March, 2018 or of more than Rs. 8.5 Lakhs per month during any part thereof. However the information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been furnished below :

Information pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended displaying the names of the top ten employees in terms of remuneration drawn during the year :

Sl. No.	Name of Employee	Designation	Remuneration (Net) (In Rs.)
1.	Tara Shankar Chatterjee	CFO	35,000.00
2.	Shyamal Banerjee	Office Assisitant	115,184.00
3.	Raj Kapil Shah	Office Assistant	110,380.00
4.	Subhankar Kayal	System Manager	100,803.00
5.	Rajender Singh	Driver	100,463.00
6.	Gunjan Jain	Accountant	25,000.00

28. EMPLOYER EMPLOYEE RELATIONSHIP

The Company has maintained a cordial relationship with its employees, which resulted in smooth flow of business operations during the year under review.

29. CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS

As per the Listing Regulations, the Company has implemented the Code on Corporate Governance. The Corporate Governance compliance certificate obtained from the Auditors of the Company is attached to Report on Corporate Governance.

The Management Discussion and Analysis Report and the Report on Corporate Governance forms an integral part of this report. The Board members and Senior management personnel have confirmed compliance with the Code of conduct.

30. ACKNOWLEDGEMENTS

Your Directors acknowledge the support and owe a debt of gratitude to the Members, Investors, Consultants & Bankers. Your Directors' also place on record their sense of appreciation for the valuable contribution made by the employees of the Company.

Registered Office :

10, Princep Street
2nd Floor
Kolkata - 700 072

Date : 14th August, 2018

On behalf of the Board of Directors

For Herald Commerce Limited

Krishna Banerjee
Director

DIN No. 06997186

Purnna Chandra Barik
Director

DIN No. 02968931

Annexure II to the Directors' Report**Form No. MR - 3****SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

[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]

The Members,

M/s. HERALD COMMERCE LIMITED10, Princep Street, 2nd Floor,
Kolkata - 700072

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by **M/s. HERALD COMMERCE LIMITED** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided a reasonable basis for evaluating the corporate conduct/ statutory compliance and expressing our opinion thereon.

Based on our verification of the **M/s. HERALD COMMERCE LIMITED**, 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, we hereby report in our opinion that the company has during the audit period covering the financial year ended on 31st March, 2018 complied with all the statutory provisions listed hereunder and also that the company has proper Board-process and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. HERALD COMMERCE LIMITED** ("the Company"), for the financial year ended on 31st March, 2018 according to provision of :-

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (d) The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

- (v) The regulations made by the Reserve Bank of India (under the Reserve Bank Act, 1934) with regard to Non-Banking Financial Companies ("NBFC").

We also examined compliance with the applicable clauses of the following :-

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India, effective from July 1, 2015 which was revised w.e.f October 1, 2017
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendments occurred time and again.

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

The Company is in process of appointing Chief Financial Officer and Company Secretary.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act and Listing Regulations.

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.

We 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.

Place : Kolkata
Date : 29.05.2018

For N. PUROHIT & ASSOCIATES
Practising Company Secretaries
Narendra Purohit
Practising Company Secretary
FCS : 32133, C. P. No. 12524

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

Annexure - A

The Members,
M/s. HERALD COMMERCE LIMITED
10, Princep Street, 2nd Floor,
Kolkata - 700072

Our 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. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we 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. Our 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.

Place : Kolkata
Date : 29.05.2018

For **N. PUROHIT & ASSOCIATES**
Practising Company Secretaries
Narendra Purohit
Practising Company Secretary
FCS : 32133, C. P. No. 12524

Annexure III to the Directors' Report**FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN****as on financial year ended on 31.03.2018**

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

I. REGISTRATION & OTHER DETAILS :

i)	CIN	L51909WB1982PLC035364
ii)	Registration Date	16/10/1982
iii)	Name of the Company	HERALD COMMERCE LTD.
iv)	Category / Sub-Category of the Company	COMPANY LIMITED BY SHARES
v)	Address of the Registered office and contact details	10, PRINCEP STREET, 2ND FLOOR KOLKATA - 700072 PHONE : 033-40022880 EMAIL ID : info@heraldcommerce.com / hercominfo@gmail.com
vi)	Whether listed company	YES
vii)	Name, Address and Contact details of Registrar and Transfer Agent	MAHESHWARI DATAMATICS PVT. LTD. 23, R. N. MUKHERJEE ROAD, 5TH FLOOR KOLKATA - 700001 PHONE : 033-2243-5029, 2248-2248 FAX : 033-2248-4787 EMAIL ID : mdpldc@yahoo.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name & Description of main products/services	NIC Code of the Product / service	% to total turnover of the company
1	Sale of Shares	64990	100

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1.	Accord Tracon Pvt. Ltd. 28, Strand Road, 2nd Floor, Kolkata-700 001	U67120WB1995PTC074770	Subsidiary Company	99.50	Section 2(87)(ii)
2	Arissan Infrastructures Pvt. Ltd. 7, Ganesh Chandra Avenue, 1st Floor, Kolkata - 700 013	U51909WB1994PTC065439	Subsidiary Company	99.99	Section 2(87)(ii)
3	Rangbarshi Projects Pvt. Ltd. 14, Ganesh Chandra Avenue, 2nd Floor, R. No. 17, Kolkata-700 013	U45203WB1996PTC077661	Subsidiary Company	99.99	Section 2(87)(ii)
4	Saltlake Energy Pvt. Ltd. House No. 240, Ambazari Layout Nagpur-440 010, Maharashtra	U51109MH1994PTC312702	Subsidiary Company	99.99	Section 2(87)(ii)

IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
	Demat	Physical	Total	%of Total Shares	Demat	Physical	Total	%of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	220	NIL	220	0.0011	220	NIL	220	0.0011	NIL
b) Central Govt.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt (s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp.	217050	NIL	217050	1.0387	217050	NIL	217050	1.0387	0.0000
e) Banks/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any Other..	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (A) (1):-	217270	NIL	217270	1.0398	217270	NIL	217270	1.0398	0.0000
(2) Foreign									
a) NRIs - Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Other - Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Any Other....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (A) (2):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	217270	NIL	217270	1.0398	217270	NIL	217270	1.0398	0.0000
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Banks/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Central Govt.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(1):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	15614129	1865850	17479979	83.6481	15614129	1865850	17479979	83.6481	0.0000
ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1243538	677322	1920860	9.1920	1243538	677322	1920860	9.1920	0.0000
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	757380	521551	1278931	6.1202	757380	521551	1278931	6.1202	0.0000

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(2):-	17615047	3064723	20679770	98.9603	17615047	3064723	20679770	98.9603	0.0000
Total Public Shareholding (B) = (B)(1) + (B)(2)	14602307	3064723	17667030	84.5432	17615047	3064723	20679770	98.9603	17.0529
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A + B + C)	17832317	3064723	20897040	100.0000	17832317	3064723	20897040	100.0000	0.0000

(ii) Shareholding of Promoters :

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1.	Blue Chip India Ltd.	217050	1.0387	NIL	217050	1.0387	NIL	NIL
2.	Surendra Kumar Jain	220	0.0011	NIL	220	0.0011	NIL	NIL
	TOTAL	217270	1.0397	NIL	217270	1.0397	NIL	NIL

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

Sl. No.		Share holding at the beginning of the year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	BLUE CHIP INDIA LTD				
	At the beginning of the year	217050	1.0387	—	—
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	—	—	—	—
	At the End of the year	217050	1.0387	217050	1.0387
1.	SURENDRA KUMAR JAIN				
	At the beginning of the year	220	0.0011	—	—
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	—	—	—	—
	At the End of the year	220	0.0011	220	0.0011

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	ANUGRAH TRADERS PRIVATE LIMITED	304000	1.4548	304000	1.4548
2	SIRPUR MARKETING PRIVATE LTD.	200000	0.9571	200000	0.9571
3	RURAL ELECTRIFICATION CORPORATION LTD.	3012740	14.4171	3012740	14.4171
4	NOVA MERCHANTS PRIVATE LIMITED	222600	1.0652	222600	1.0652
5	BAHUBALI PROPERTIES LIMITED	1415322	6.7728	1415322	6.7728
6	RICON INFRASTRUCTURES LIMITED	4405714	21.0830	4405714	21.0830
7	RANGBARSHI PROJECTS LTD.	1001850	4.7942	1001850	4.7942
8	TURNKEY INFRASTRUCTURES LIMITED	3034000	14.5188	3034000	14.5188
9	BETTER MERCANTILE PVT. LTD.	465000	2.2252	465000	2.2252
10	ARISSAN ENERGY LIMITED	1169350	5.5958	1169350	5.5958

(v) Shareholding of Directors and Key Managerial Personnel : NOT APPLICABLE

Sl. No.		Share holding at the beginning of the year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Share holding during the year	NIL	NIL	NIL	NIL
	At the End of the year	NIL	NIL	NIL	NIL

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	6,25,000.00	NIL	NIL	6,25,000.00
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	6,25,000.00	NIL	NIL	6,25,000.00
Change in Indebtedness during the financial year				
• Addition	NIL	NIL	NIL	NIL
• Reduction	92,243.15	NIL	NIL	92,243.15
Net Change	92,243.15	NIL	NIL	92,243.15
Indebtedness at the end of the financial year				
i) Principal Amount	5,32,756.85	NIL	NIL	5,32,756.85
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	5,32,756.85	NIL	NIL	5,32,756.85

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager :**

Sl. No.	Particulars of Remuneration	Name of Managing Director/WTD/Manager	Total Amount (Rs.)
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission		
	- as % of profit	NIL	NIL
	- others, specify...		
5.	Others, please specify	NIL	NIL
	Total (A)	NIL	NIL
	Ceiling as per the Act		N.A.

B. Remuneration to other Directors :

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Sanjay Das - Independent Director	Punna Chandra Barik - Independent Director	Bikash Adhikary - Non-Executive Director	Krishna Banerjee - Executive Director	
1.	Independent Directors					
	• Fee for attending board committee meetings	NIL	NIL	NIL	—	NIL
	• Commission	NIL	NIL	NIL	—	NIL
	• Others, please specify	NIL	NIL	NIL	—	NIL
	Total (1)	NIL	NIL	NIL	—	NIL
2.	Other Non-Executive Directors					
	• Fee for attending board committee meetings	—	—	—	NIL	NIL
	• Commission	—	—	—	NIL	NIL
	• Others, please specify	—	—	—	NIL	NIL
	Total (2)	NIL	NIL	NIL	NIL	NIL
	Total (B) = (1 + 2)					NIL
	Total Managerial Remuneration					NIL
	Overall Ceiling as per the Act					NIL

C. Remuneration to Key Managerial Person other than MD/MANAGER/WTD :

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	Total (Rs.)
		Tarashankar Chatterjee - CFO (Resigned w.e.f 11.11.2017)	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	35,000.00	35,000.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	NIL	NIL
2	Stock option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission - as % of profit - others (specify)	NIL NIL	NIL NIL
5	Others, please specify	NIL	NIL
	Total	35,000.00	35,000.00

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES :

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/ Court)	Appeal made if any (give details)
A. COMPANY					
Penalty			N I L		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			N I L		
Punishment					
Compounding					
C. OTHER OFFICER IN DEFAULT					
Penalty			N I L		
Punishment					
Compounding					

REPORT ON CORPORATE GOVERNANCE

The Company's shares are listed in Calcutta Stock Exchange. Accordingly, the Corporate Governance Report for the year 2017-2018, has been prepared in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations"/ "SEBI (LODR) Regulations, 2015") :-

Para 1. CORPORATE GOVERNANCE PHILOSOPHY

Effective Corporate Governance is how an organisation is managed, which includes its culture, structure, policies and manner in which it deals with its stakeholders and not just mere compliance. It also relates to processes and systems that direct the resources of the organization and strategies of the management for maximizing the wealth of the stakeholders. Your Company firmly believes that such practices are founded upon the core values of transparency, accountability, independence, responsibility and fairness.

Your Company makes best endeavors to implement these core values in all facets of its operations. The Company continues to follow procedures and practices in conformity with the Code of Corporate Governance enshrined in the Listing Regulations.

Para 2. BOARD OF DIRECTORS

(i) Composition of the Board :

The Composition of the Board of Directors of the Company consists of qualified executive and non-executive Directors. The Board comprises of persons who have excelled in their respective areas and have good standing. All the Directors are above the age of 21 years.

The composition of the Board of Directors as on 31st March, 2018 is given below :

Sl. No.	Name of the Director	Executive/ Non-Executive	No. of other		
			Directorships(+)	Committee(++)	
				Chairman	Member
1	Smt. Krishna Banerjee	Executive	6	-	2
2	Shri Sanjay Das	Non-Executive & Independent	2	-	-
3	Shri Purnna Chandra Barik	Non-Executive & Independent	-	-	-
4	Shri Bikash Adhikary**	Non-Executive	5	-	4
5	Shri Arun Nath*	Non-Executive & Independent	-	-	-

*Shri Arun Nath was resigned w.e.f. November 11, 2017

**Shri Bikash Adhikary was appointed w.e.f November 11, 2017

(+) Excluding directorship held in private limited/foreign companies and Companies registered under Section 8 of Companies Act, 2013.

(++) Represents Chairmanship / Membership of the Audit Committee and Stakeholders Relationship Committee of other companies, in which they are Director.

(ii) The attendance of the Directors at the Board meetings and the last AGM held are given below :

Name of the Director	No. of Meetings		Attendance at last AGM – held on 25th September, 2017
	Held	Attended	
Shri Bikash Adhikary	5	1	No
Shri Arun Nath	5	4	Yes
Smt. Krishna Banerjee	5	4	Yes
Shri Sanjay Das	5	4	Yes
Shri Purnna Chandra Barik	5	4	Yes

Particulars of the Directors to be re-appointed at the ensuing Annual General Meeting pursuant to Regulation 36(3) of SEBI (LODR) Regulations, 2015 is given in the Notice of 36th Annual General Meeting of the Company.

(iii) Directors' membership in board/committees of other companies :

As per the Listing Regulations, no director can be a Member in more than 10 (ten) committees or act as chairman of more than 5 (five) committees across all companies in which he is a Director.

In terms of the Listing Regulations, none of the Directors of your Company were Members in more than 10 (ten) committees nor acted as Chairman of more than 5 (five) committees across all companies in which they were Directors. Details of other directorships/committee membership/chairmanship held by them are given in Para 2(i) above.

(iv) Number of Board meetings held, dates on which held :

As per the Listing Regulations, the Board of Directors must meet at least four times a year, with a maximum time gap of one hundred and twenty days between any two meetings.

During the financial year 2017-2018, Board met 5 (Five) times on 25.04.2017, 27.05.2017, 11.08.2017, 11.11.2017 and 12.02.2018. The gap between any two Board Meetings did not exceed one hundred and twenty days.

(v) Familiarisation Programme for Directors :

The Company familiarizes its Independent Directors with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through programme in compliance of Listing Regulations.

The Familiarisation programme for Independent Directors is disclosed on the Company's website at the following web link: www.heraldcommerce.com

(vi) Independent Directors' Meeting :

During the year under review, a separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of the Management, was held on 07th November, 2017 as required under Companies Act, 2013 and Listing Regulations. All Independent Directors were present at the meeting to review the performance of Non-Independent Directors and the Board as a whole, assess the quality, quantity and timeliness of flow of information between the Company Management and

the Board that is necessary for the Board to effectively and reasonably perform their duties and discuss matters pertaining to the Company's affairs and functioning of the Board and presented their views to the Managing Director for appropriate action.

Para 3. AUDIT COMMITTEE

(i) Brief description of the terms of reference :

The terms of reference of the Audit Committee cover the matters specified under Part C of Schedule II of the SEBI (LODR) Regulations, 2015 and provisions of Section 177 of the Companies Act, 2013 read with The Companies (Meetings of Board and its Powers) Rules, 2014.

The Audit Committee reviews, acts and reports to the Board of Directors with respect to :

- a) the appointment of Statutory Auditors of the Company,
- b) review and approval of related party transactions,
- c) provide Board with additional assurance as to reliability of financial information and statutory financial statements and as to the adequacy of internal accounting and control systems,
- d) it acts as a link between the management, statutory auditors and the Board of Directors,
- e) Company's compliance with the legal and statutory requirements,
- f) Such other matters resulting from statutory amendments/modifications from time to time.

(ii) Composition and name of members :

The Audit Committee, presently, consists of 3 (Three) Directors all being non executive directors, majority being Independent Directors and the Chairman also being Independent Director. The following directors are the present Members of the Committee :

Name of the Members	Designation	Nature of Membership
Shri Arun Nath#	Chairman	Independent & Non Executive
Shri Sanjay Das	Member	Independent & Non Executive
Shri Bikash Adhikary*	Member	Non-Executive
Shri Purna Chandra Barik**	Member/Chairman	Independent & Non Executive

All the Members of the Audit Committee are financially literate and Shri Arun Nath and Purna Chandra Barik possess financial /accounting expertise.

*Shri Bikash Adhikary was inserted as Member of the Committee w.e.f November 11, 2017.

#Shri Arun Nath resigned w.e.f November 11, 2017.

**Shri Purna Chandra Barik was member of the Audit Committee from April 1, 2017 till November 10, 2017. Thereafter, Shri Purna Chandra Barik became Chairman of the Audit Committee w.e.f. November 11, 2017.

(iii) Meetings held and attendance during the year :

During the financial year 2017-2018, the Audit Committee met (5) five times on 19.04.2017, 26.05.2017, 10.08.2017, 10.11.2017 and 10.02.2018.

Sr. No.	Members of Audit Committee	No. of meetings held	No. of meetings attended
1	Shri Arun Nath	5	4
2	Shri Sanjay Das	5	5
3	Shri Purna Chandra Barik	5	5
4	Shri Bikash Adhikary	5	1

Para 4. NOMINATION AND REMUNERATION COMMITTEE

Brief description of the terms of reference :

The terms of reference of the Nomination & Remuneration Committee cover the matters specified under Part D of Schedule II of the SEBI (LODR) Regulations, 2015 and provisions of Section 178 of the Companies Act, 2013. The Committee is primarily responsible for :

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, KMP and other employees.
- Formulate the criteria for performance evaluation of independent directors and the Board of directors.
- Devise a policy on Diversity of Board of Directors.
- Such other matters resulting from statutory amendments/modifications from time to time.

The Company has adopted a Remuneration Policy for its Directors, Key Managerial Personnel and other employees. This Policy has also laid down the criteria for determining qualifications, positive attributes, independence of Director and Board diversity and criteria for evaluation of Board and individual Directors. Details of Remuneration Policy is provided in Para 4 (iv) and has also been uploaded on the website of the Company :

(i) Composition and Name of members :

The Nomination & Remuneration Committee, presently, comprises of all Non-Executive Directors and majority being Independent Directors and the Chairman also being Independent Director. The following directors are the present Members of the Committee.

Name of the Members	Designation	Nature of Membership
Shri Arun Nath#	Chairman	Independent & Non Executive
Shri Sanjay Das	Member	Independent & Non Executive
Shri Bikash Adhikary*	Member	Non-Executive
Shri Purna Chandra Barik**	Member/Chairman	Independent & Non Executive

*Shri Bikash Adhikary was inserted as Member of the Committee w.e.f November 11, 2017.

#Shri Arun Nath resigned w.e.f November 11, 2017.

**Shri Purna Chandra Barik was member of the Nomination & Remuneration Committee from April 1, 2017 till November 10, 2017. Thereafter, Shri Purna Chandra Barik became Chairman of the Nomination & Remuneration Committee w.e.f. November 11, 2017.

(ii) Meetings held and attendance during the year :

During the financial year 2017-2018, the Nomination & Remuneration Committee met 2 (Two) times on 09.11.2017 and 08.02.2018.

Members of Nomination & Remuneration Committee	No. of meetings held	No. of meetings attended
Shri Arun Nath	2	1
Shri Sanjay Das	2	2
Shri Purna Chandra Barik	2	2
Shri Bikash Adhikary	2	1

(iii) The details of remuneration/sitting fee paid to Directors :

No remuneration/sitting fee has been paid to any Director during the year.

(iv) Criteria for selection and appointment of Directors and Remuneration Policy :**Preamble**

- The remuneration policy provides a framework for remuneration paid to the members of the Board of Directors (Board) and for Key Managerial Personnel (KMP) and other employees. The expression KMP shall have the same meaning as defined under Companies Act, 2013. This policy also provides a framework for identification of persons who are qualified to become directors and who may be appointed as senior management for recommendation of their appointment to the Board.
- This policy has been framed by the Nomination and Remuneration Committee of the Board of Directors and based on its recommendation, approved by the board of directors of the Company.
- The policy may be reviewed by the Nomination and Remuneration Committee of the Board of Directors.

Criteria for determining qualification

The Board may expect qualified directors to have ample experience and the highest level of personal and professional ethics, integrity and values. The Board shall also consider whether each director possesses the following :

- The highest level of personal and professional ethics, reputation, integrity and values;
- A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- The ability to exercise objectivity and independence in making informed business decisions;
- The willingness and commitment to devote extensive time necessary to fulfill his/her duties;
- The ability to communicate effectively and collaborate with other board members to contribute effectively to the diversity of perspectives that enhances Board and Committee deliberations, including a willingness to listen and respect the views of others;
- The skills, knowledge and expertise relevant to the Company's business.

Independence Review Criteria

Determination of director independence will be made by the Board for each director on an annual basis upon the recommendation of the Committee. Independent directors have three key roles, namely, governance, control and guidance. Some of the performance indicators, based on which the independent directors shall be evaluated are :-

- Independence from management.
- Independence from Promoter Group.
- No substantial shareholding.
- Ability to contribute to and monitor our corporate governance practices.
- Ability to contribute by introducing international best practices to address top management issues.
- Active participation in long term strategic planning.
- Commitment to the fulfilment of a director obligations and fiduciary responsibilities - this include participation and attendance.
- Other significant relationship which may cause a conflict of interest.

Principles of Remuneration

Company considers that the remuneration system is a key element in creating value. It thus has an advanced remuneration scheme based on the reciprocity of value for employees and for the Company in line with the interests of shareholders. The Company's remuneration system is informed by the following principles :

- Long-term value creation.
- Remunerate achievement of results on the basis of prudent, responsible risk bearing.
- Attract and retain the best professionals.
- Reward the level of responsibility and professional path.
- Ensure equity in the Company and competitiveness outside it.
- Ensure transparency in its remuneration policy

Remuneration to Non-Executive Directors

Non Executive directors may be paid remuneration by way of sitting fees and reimbursement of expenses for participation in the Board and other meetings and such other payments as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Remuneration to Executive Directors

At the time of appointment or re-appointment, the Managing Director shall be paid such remuneration as may be mutually agreed between the Company and the Managing Director within the overall limits prescribed under the Companies Act, 2013. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.

Remuneration to other Key Managerial Personnel excluding Executive Director & other employees

Other Key Managerial Personnel excluding Executive Director and other employees shall be paid such remuneration as per term and condition of appointment letter/contract within the range approved by and ratified by the Remuneration Committee. Annual increments effective 1st April each year, as recommended by the Remuneration Committee, shall be approved by the Board.

Evaluation of Individual Directors & Board

The Independent Directors shall have a separate meeting during the year without the attendance of Non-Independent Directors and members of management. All Independent Directors shall strive to be present at the meeting. The meeting shall review the performance of Non-Independent Directors and the Board as a whole. The meeting shall also review the performance of the Chairman, if any of the Company, taking into account the views of the Executive Directors and the Non-Executive Directors.

The performance evaluation of the Independent Directors shall be done by the entire Board, excluding the Director being evaluated. The performance evaluation of the Independent Directors and the Board as a whole shall be in context of the Company's performance and governance perspective.

Criteria for Performance Evaluation are as under :

For Board-

- degree of fulfillment of key responsibilities
- Composition
- Committees of Board
- Board & Committee Meetings
- Team work
- understanding the role
- effectiveness and quality of decision making

For Directors-

- attendance at the meeting
- participation and contribution
- responsibility towards Stakeholders
- compliance and governance
- maintaining confidentiality

In addition to the above Managing Director also being evaluated on –

- leadership
- relationships
- communication
- conduct of meeting
- utilization of resources

Committee-

- degree of fulfillment of key responsibilities
- adequacy of Committee composition
- relationship
- communication

- understanding of regulatory environment
- interaction with the Board

Ammendment to this Policy

This Policy may be amended or substituted by Nomination & Remuneration Committee or by the Board as and when required and also by the Compliance Officer where there is any statutory changes necessitating the change in the policy.

Para 5. STAKEHOLDERS RELATIONSHIP COMMITTEE

Brief description of the terms of reference :

The terms of reference of the Stakeholders Relationship Committee cover the matters specified under Part D of Schedule II of the SEBI (LODR) Regulations, 2015 and provisions of Section 178 of the Companies Act, 2013. The board of Directors of the Company has delegated the authority to approve transfer of shares to Stakeholders Relationship Committee of the Company. The Committee also monitors the implementation and compliance with the Company's Code of Conduct for prohibition of Insider Trading. The committee deals with the various matters relating to :

- Transfer of shares
- Transmission of shares
- Issuance of duplicate share certificates as and when required
- Shareholders' queries/complaints and its redressal as and when received
- Dematerialisation/Rematerialisation of shares
- Split/consolidation of shares
- Such other matters resulting from statutory amendments/modifications from time to time.

The Company has adopted the Code of Conduct for Prevention of Insider Trading, under the SEBI (Prohibition of Insider Trading) Regulations. The Code lays down guidelines for procedures to be followed and disclosures to be made while dealing with the shares of the Company by the directors and designated employees. Smt. Krishna Banerjee, Director has been appointed as the Compliance Officer for the implementation of and overseeing compliance with the Regulations and the Code across the Company.

The Company has also adopted the Code of Corporate Disclosure Practices for ensuring timely and adequate disclosure of Price Sensitive Information, as required under the Regulations.

(i) Composition and name of the Chairman :

The Committee is being headed by Shri Arun Nath, a Non- Executive Independent Director. The Committee comprises of following directors :

Name of the Members	Designation	Nature of Membership
Shri Arun Nath	Chairman	Independent & Non Executive
Shri Sanjay Das	Member	Independent & Non Executive
Shri Purnna Chandra Barik	Member	Independent & Non Executive

During the financial year 2017-18, Share Transfer and Investors Grievance Committee met once on 19.05.2017.

Sr. No.	Name of the Members	No. of meetings held	No. of meetings attended
1	Shri Arun Nath	1	1
2	Shri Krishna Banerjee	1	1
3	Shri Purnna Chandra Barik	1	1

(ii) Name and designation of compliance officer :

As per the requirements of the Listing Regulations, Smt Krishna Banerjee acts as the Compliance Officer.

(iii) to (iv) Details of the shareholders' complaints received and resolved during the year 2017-2018:

No. of complaints received	No. of complaints resolved	Pending
NIL	NIL	NIL

There have been no material grievances raised and all items referred have been dealt with. All the complaints were resolved to the satisfaction of shareholders.

As on 31st March, 2018, there were no pending complaints.

Para 6. GENERAL BODY MEETINGS

(i) Location and Time of last three Annual General Meeting (AGM) :

The location and time of the last three AGMs are as follows :

Year	Date	Location	Time
2016-17	25.09.2017	Somani Conference Hall Merchants Chamber of Commerce 15B, Hemanta Basu Sarani Kolkata – 700 001	11.00 A.M.
2015-16	30.09.2016	Somani Conference Hall Merchants Chamber of Commerce 15B, Hemanta Basu Sarani Kolkata – 700 001	10.30 A.M.
2014-15	30.09.2015	Somani Conference Hall Merchants Chamber of Commerce 15B, Hemanta Basu Sarani Kolkata – 700 001	10.30 A.M.

(ii) Details of special resolutions passed in the previous three AGMs :

No special resolution has been passed in the previous three AGMs.

(iii) Special resolution passed during the financial year 2017-2018 through the Postal ballot :

No special resolution was passed through postal ballot during the financial year 2017-2018.

(iv) Postal ballot during the current year :

For the financial year 2018-19, if resolutions are to be conducted through the Postal Ballot procedure,

those will be taken up at the appropriate time.

Para 7. MEANS OF COMMUNICATION

(i) Quarterly results :

The Quarterly and Annual Results of the Company are communicated immediately to the stock exchanges upon conclusion of the Board Meeting convened to consider the same.

(ii) Newspapers wherein results are normally published :

The Financial Results of the Company are published in "Business Standard" and in "Su-Khabar".

(iii) Any website, where displayed :

The Results are displayed on the Company's web-site at www.heraldcommerce.com.

Full Annual Reports for the financial year 2017-2018, Financial results, Shareholding pattern and other relevant information are also available on the website of the company in a user-friendly and downloadable form.

(iv) Official news releases and presentation to institutional investors/analysts :

During the year under review there were no such news releases and no presentation was made to institutional investor or to the analysts.

(v) SCORES :

The Company has registered itself on SCORES and endeavors to resolve all investor complaints received through SCORES or otherwise within stipulated time period.

Para 8. GENERAL SHAREHOLDER INFORMATION

(i) AGM : Date, time and venue :

The forthcoming Annual General Meeting of the Company will be held as given below :

Date & Time	27th September, 2018 at 1.30 P.M.
Venue	"Somani Conference Hall" Merchants Chamber of Commerce 15B, Hemanta Basu Sarani, Kolkata - 700 001

(ii) Financial year :

Financial Year is 1st April, 2018 to 31st March, 2019 and the quarterly results will be declared as per the following schedule.

Tentative schedule	
Financial Results for the quarter ending June 30, 2018	Second week of August 2018
Financial Results for the quarter ending September 30, 2018	Second week of November 2018
Financial Results for the quarter ending December 31, 2018	Second week of February 2019
Financial Results for the year ending March 31, 2019	End of May 2019
AGM for the year ending March 31, 2019	End of September 2019

(iii) Date of Book closure:

The Company's Register of Members and Share Transfer Books will remain closed from Friday, 21st September 2018 to Thursday, 27th September 2018 (both days inclusive).

(iv) Dividend Payment Date:

The Board has recommended no dividend for the year under review.

(v) Listing on Stock Exchanges:

Your Company's shares are listed on the following stock exchanges as on 31st March, 2018.

The Calcutta Stock Exchange Limited
7, Lyons Range,
Kolkata -700 001

(vi) Stock Code :

Name of the Exchange	Code
The Calcutta Stock Exchange Limited	18105
International Securities Identification Number (ISIN)	INE 914A01014

(vii) Market Price Data : High, Low during each month in the last financial year :

There has been no trading in any of the Stock Exchanges during the financial year 2017-18.

(viii) Registrar and Transfer Agents :

The Board has delegated the work of processing of share transfers to Maheshwari Datamatics Private Limited, Registrar and Share Transfer Agents. Their complete address is as follows :

Maheshwari Datamatics Private Limited
23, R. N. Mukherjee Road, 5th Floor
Kolkata - 700 001.

Tel No : (033) 2243-5029, 2248-2248

Fax No : (033) 2248-4787

Email: mdpldc@yahoo.com

(ix) Share Transfer System :

The transfer of shares in physical form is processed and completed by Maheshwari Datamatics Private Limited within the statutory time period. In case where shares are held in electronic form, the transfers are processed by NSDL/CDSL through the Depository Participants and Registrars.

(x) Distribution of Shareholding :

The distribution of shareholding as on 31st March, 2018, pursuant to Regulation 31(1)(b) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is as under :

A. Shareholding pattern of Equity Shares as on 31st March, 2018 :

	Categories	No. of Shares held	% of Shareholding
A	PROMOTERS & PROMOTER GROUP		
1.	Indian		
	a) Indian Individuals/HUF	220	0.0011
	b) Indian Bodies Corporate	217050	1.0387
	Sub-total (A1)	217270	1.0397
2.	Foreign	NIL	NIL
	Sub-total (A2)	NIL	NIL
	Total Shareholding of Promoter & Promoter Group A=(A)(1)+(A)(2)	217270	1.0398
B	PUBLIC SHAREHOLDING		
1.	Institutions	NIL	NIL
	Sub-total (B1)	NIL	NIL
2.	Non- Institutions		
	a) Individuals	3199791	15.3122
	b) Bodies Corporate	17479979	83.6481
	Sub-total (B2)	20679770	98.9603
	Total Public Shareholding B=(B)(1)+(B)(2)	20679770	98.9603
	GRAND TOTAL (A)+(B)	20897040	100.0000

Note : Total Foreign Shareholding is Nil.

B. Distribution of Equity Shareholding as on 31st March, 2018 :

Share Holding	Holders	Percentage	No. of Shares	Percentage
1 to 500	183	17.0709	59068	0.2827
501 to 1000	188	17.5373	161780	0.7742
1001 to 2000	226	21.0821	374200	1.7907
2001 to 3000	118	11.0075	315601	1.5103
3001 to 4000	86	8.0224	323450	1.5478
4001 to 5000	60	5.5970	288600	1.3811
5001 to 10000	98	9.1418	784893	3.7560
10001 and above	113	10.5410	18589448	88.9573
Grand Total	1072	100.0000	20897040	100.0000

(xi) Dematerialisation of shares and liquidity :

As on 31st March, 2018, 85.33% of the total equity capital was held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited.

(xii) Outstanding GDRs /ADRs /Warrants or any Convertible instruments :

As of 31st March, 2018, there are no outstanding GDRs / ADRs / Warrants or convertible instruments

which are likely to have an impact on the Equity Shares.

(xiii) Plant Locations :

The Company does not have any plant.

(xiv) Address for correspondence :

Investors' correspondence may be addressed to :-

1. The Company Secretary
Herald Commerce Limited
10, Princep Street,
2nd Floor, Kolkata 700 072.
Phone: 033-4002-2880,
Fax no. (033) 2237-9053
E-mail: info@heraldcommerce.com /
hercominfo@gmail.com
Website: www.heraldcommerce.com
2. Registrar and Transfer Agent
Maheshwari Datamatics Private Limited
23, R. N. Mukherjee Road, 5th Floor,
Kolkata - 700 001.
Tel No: (033) 2243-5029, 2248-2248
Fax No: (033) 2248-4787
Email: mdpldc@yahoo.com

(xv) E-mail ID of the grievance redressal division / compliance officer exclusively for the purpose of registering complaints by investors: info@heraldcommerce.com / hercominfo@gmail.com

Para 9. DISCLOSURES

(i) Disclosure of materially significant related party transactions :

During the financial year 2017-2018, the Company had not entered into any materially significant transaction with any related party that may have potential conflict with the interests of the Company at large. The Directors and KMPs have no direct, indirect or on behalf of third party, material interest in any transaction or matter directly affecting the company. The Omnibus approval of the Audit Committee is taken for all proposed Related Party Transactions. The transactions with related parties, in normal course of business, have been disclosed separately in the Notes on Accounts.

The Policy on related Party transactions has been uploaded on Company's website www.heraldcommerce.com

(ii) Accounting treatment :

In view of the management, all applicable accounting standards are being followed for preparation of financial statements.

(iii) Details of non-compliance by the company :

The Company has complied with all the requirements of the Regulations and Guidelines prescribed by Securities and Exchange Board of India (SEBI). No penalties or strictures have been imposed by Stock

Exchange, SEBI or any other statutory authority, on any matter relating to capital markets, during last three years.

(iv) Whistle Blower Policy :

The Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

(v) Details of compliance with the mandatory requirements :

Your Company has complied with all the mandatory requirements of the Listing Regulations. The details of these compliances have been given in the relevant sections of this Report.

(vi) Disclosures regarding weblink of the Company :

Policy on determining Material Subsidiaries and policy on dealing with related party transactions are posted on the Company's website at www.heraldcommerce.com.

(vii) Commodity price risk or foreign exchange risk and hedging activities :

The Company did not engage in the commodity hedging activities during the year under review.

(viii) Non-compliance of any requirement of Corporate Governance Report :

There has been no such non compliance of any requirement of Corporate Governance Report.

(ix) Extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted :

Modified opinion(s) in audit report

The Company has moved towards a regime of financial statements with unmodified audit opinion.

Reporting of internal auditor

The internal auditor of the Company directly reports to the audit committee.

(x) Confirmation :

The Company has fully complied with the Applicable requirements specified under Regulation 17 to 27 and clause (b) to (i) of Sub regulation (2) of Regulation 46 of SEBI (LODR) Regulations, 2015.

(xi) Demat Suspense account/unclaimed suspense account :

None of shares of the company are lying in the demat suspense account or unclaimed suspense account.

RECONCILIATION SHARE CAPITAL AUDIT :

The Company Secretary in practice carried out a Reconciliation of Share Capital Audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT :

The Management's Discussion and Analysis Report is attached hereto and forms part of the Director's Report.

RISK MANAGEMENT POLICY :

The Company has formulated a comprehensive Risk Management Policy to reduce the inherent risk associated with the business activities of the Company but formation of Risk Management Committee is not applicable as per SEBI Circular dated 17th April, 2014.

CODE OF CONDUCT :

The Company has adopted a Code of Conduct for its Directors and Senior Management Personnel and the said code is uploaded on the Company's website at www.heraldcommerce.com. The Directors and Senior Management Personnel have affirmed the compliance with the same for the financial year 2017-2018. A declaration to this effect is given below :

ANNUAL DECLARATION BY EXECUTIVE DIRECTOR ON CODE OF CONDUCT PURSUANT TO PARAGRAPH D OF SCHEDULE V OF THE SEBI (LODR) REGULATIONS, 2015

I, Krishna Banerjee (DIN 06997186), Executive Director of **HERALD COMMERCE LIMITED** having its registered office at 10, Princep Street, 2nd Floor, Kolkata - 700 072 hereby declare that all Board Members and Senior Management Personnel have affirmed the compliance of the Code for the financial year 2017-2018.

Place : Kolkata

Dated : 29th May, 2018

For Herald Commerce Ltd.

Krishna Banerjee

Director

DIN No. 06997186

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**To the Members of Herald Commerce Limited**

We have examined the compliance of conditions of Corporate Governance by Herald Commerce Limited ('the Company') for the year ended 31st March, 2018, as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015").

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations as applicable and no investor grievances are pending as on 31st March, 2018 against the Company as per the records maintained by the Company.

We 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 the affairs of the Company.

Place : Kolkata

Dated : 29th May, 2018

For **P. K. AJITSARIA & CO.**
Chartered Accountants
FRN - 317046E

Pawan Kumar Ajitsaria
Partner
Membership No. 053109

CERTIFICATION BY EXECUTIVE DIRECTOR

[Pursuant to Regulation 17(8) of SEBI (LODR) Regulations, 2015]

I hereby certify that for the financial year, ending 31st March, 2018, on the basis of the review of the financial statements and the cash flow statement and to the best of my knowledge and belief that :-

- a. I have reviewed financial statements and the cash flow statement for the year and that to the best of my knowledge and belief :
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. 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. To the best of my knowledge and belief, no transactions entered into by the company during the year ended 31st March, 2018 which are fraudulent, illegal or violative of the company's code of conduct.
- c. I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps they have taken or propose to take to rectify these deficiencies.
- d. I have indicated, based on my most recent evaluation, wherever applicable, to the auditor and audit committee.
 - i. There has not been any significant changes in internal control over financial reporting during the year under reference.
 - ii. There has not been significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. I are not aware of any instance during the year of significant fraud with involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Krishna Banerjee
Director
DIN No. 06997186

Place : Kolkata

Dated : 29th May, 2018

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Economic Overview:

Indian's economy is diverse, encompassing agriculture, handicrafts, textile, manufacturing and a multitude of services. The advent of the digital age has gradually transformed India as an important "back office" destination for global outsourcing of customer service and technical support.

Industry Structure and Development – Overview:

NBFC's play a vital role in the context of Indian economy. They are indispensable part in the Indian financial system because they supplement the activities of banks in terms of deposit mobilization and lending. They supplement the role of the banking sector in meeting the increasing financial needs of the corporate sector, delivering the credit to the unorganized sector and to the small local borrowers. NBFC's has flexible structure than banks. Their flexible structure helps in broadening the market by providing the saver and investor a bundle of services on competitive basis.

With virtually all finance company business lines coming under greater competitive pressure, defining strategic initiatives and backing each with the necessary resources has become imperative for success. On the consumer side of the business, the ability to compete in various product offerings often is dictated by operational efficiencies and economies of scale. In this respect NBFC's face problems of high cost of funds because they lack the nation wide branch network and have a comparatively lower Tier-I and Tier-II capital base.

We witness that NBFC sector, in India are facing stiff competition from different banks and financial institutions. The cost of funds of banks is lower as compared to NBFC's. Not only this, they have a very wide network and huge capital base which makes them more attractive than NBFC's. However as the market is volatile in nature, the long term growth of capital market calls for a matter of concern.

Opportunities, threats, risks and concerns :

Your Company has operations in finance and equity investments. The independent finance industry issues debt and lends the proceeds to individuals (consumer finance companies) and corporations (commercial finance companies) on both a secured and unsecured basis. Unlike the commercial banks, whose deposit taking ability adds significantly to funding availability, finance companies rely almost exclusively on institutional borrowings and access to the public debt markets for funding. Consequently, the ability to access the short, medium and long-term markets at competitive rates is critical to their ongoing viability. Your company faces tough competition from Nationalized, Foreign and Private Sector Banks due to their inability to grant loan at a considerably low rate of interest.

Your Company is exposed to external and internal risks associated with the business. It is exposed to strong competitive pressures and financial risks from changes in interest rate, economic cycles etc.

There is a major threat coming from Banks. Banks have reduced the rate of interest, this has reduced the spread, thereby reducing the margin. The volatile nature of market also poses another threat. Your Company also faces stiff competition from Nationalized, Foreign and Private Sector Banks as they provide loans at a very low rate of interest.

Risk Management :

The nature of your Company business exposes it to a wide variety of risks and if not managed properly it can affect the workings of the Company.

Economic risk is there because any slow down or recession in the economy has direct impact on the turnover and performance.

To manage Interest Rate Risk of the Company is very well within the overall unit of Debt Equity Ratio and cost of borrowing is also very low. Company is also not using short term borrowings to fund long term assets.

To manage default risk, most of the customers are repeat customers or referred by existing customers with a good track record who stands as a guarantor mitigating the default risk.

Given the sensitive nature of the sector, funding is closely linked to the overall image of the sector as well as the regulatory environment. Any change in these factors could affect the overall liquidity risk for the Company. Moreover existing banks are moving into retail sector and regional banks like Assamese banks are coming into play, which poses major concern for your Company. The volatility in the market is a matter of concern. However economic parameters being strong will upsurge the economy. Your Company has a well defined and prudent business practice and a comprehensive Risk Management Policy to manage this risk.

Your Company sees opportunities in the market with existing and new customers. Your Company has dedicated accounts team to focus on each customer. Rising input costs and volatility in material, energy are some of the key challenges that your Company is addressing by specific initiatives for each.

Future Outlook :

Your Company intends to invest in businesses related to infrastructure, telecommunication, soft ware etc. in the coming years since it sees good prospect in these areas. It would definitely try to establish itself and remain as a strong player in the finance industry. With the Capital market expected to be in a better mode than the previous few years and with our efforts we can look forward to a prosperous year for the company.

Again, the need for micro credit by a significant part of the society continues to remain underserved by the banks. The scope for Micro Finance Companies to supplement the banking channel remains high.

However this segment also remains a sensitive segment given the profile of the clients, typically from the low-income groups. Hence it is of utmost importance that the NBFC sector deals with clients in a very fair and transparent manner. The recent RBI Regulations in this regard would go a long way in ensuring fair play by NBFCs.

Internal Control Systems and their adequacy :

The Processes are internal control system plays a critical role in the health of the Company. The Company has well defined documented policy guidelines and has an adequate internal control system commensurate with its size and nature of business and suitable internal control procedures that ensures efficiency of operations and safe guard of its assets.

These procedures are designed to ensure :

- That all assets and resources are used efficiently and are adequately protected;
- That all internal policies and statutory guidelines are complied within letter & spirit;
- The accuracy and timing of financial reports and management information.

Material Development in Human Resources/industrial relations front number of people employed:

The Company believes that people are the primary asset and key to the success and growth. Looking after people makes good business sense because, if people are motivated, service excellence will follow. The relations remain cordial throughout the year between employees and the management. Here people work in synergy to contribute towards the achievement of the business objectives. The importance of providing training and development opportunities to our employees is recognized by our Company to enhance their skills and experience, which in turn enables the Company to achieve its business objectives.

Financial and Operational Performance :

Please refer Director's Report for performance review.

Cautionary Statement :

Statement in the Management's Discussion and Analysis describing the Company's projections estimates, expectations or predictions may be forward looking predictions within the meaning of applicable securities laws and regulations. These forward-looking statements are based on certain assumptions and expectations of future events over which the Company exercises no control. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. Actual results may differ materially from such estimates, projections, etc. whether expressed or implied.

INDEPENDENT AUDITORS' REPORT

To
The Members of
Herald Commerce Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **M/s. HERALD COMMERCE LIMITED** (CIN : L5190WB1982PLC035364) ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit.

We have considered the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act, and the other applicable authoritative pronouncement issued by the Institute of Chartered Accountants of India. Those Standards and pronouncement require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

OPINION

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 Act in the manner so required and give

a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018 and its PROFIT and its cash flow for the year ended on that date.

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, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure - "A" a statement on the matters specified in 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 accounts 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, and the Cash Flow Statement dealt with by this Report agree with the books of accounts;
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure - B"; and
 - g) 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 knowledge and belief and according to the information and explanations given to us :
 - I. The Company does not have any pending litigations which would impact its financial position.
 - II. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as on the Balance Sheet date.
 - III. There are no such amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2018.

For **P. K. AJITSARIA & CO.**
Chartered Accountants
FRN - 317046E

Pawan Kumar Ajitsaria
Partner
Membership No. 053109

Place : Kolkata

Date : The 29th day of May, 2018

ANNEXURE - "A"
TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of **M/s. HERALD COMMERCE LIMITED** (CIN : L5190WB1982PLC035364) on the financial statements for the year ended on 31st March, 2018, we report that :

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) The fixed assets of the Company were physically verified by the Management at reasonable intervals According to the information and explanations given to us, no material discrepancies were noticed on such verification.
(c) According to the information and explanations given to us, and on the basis of our examination of the records of the Company no immovable properties are held in the name of the Company.
2. As explained to us, the inventories were physically verified by the Management during the year at reasonable intervals and no material discrepancies were noticed on such physical verification.
3. The Company has not granted any loans, secured or unsecured to the Companies, Firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, this clause is not applicable to it.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made. The Company has not given any guarantee(s) or provided any security for loan taken by third party.
5. The Company has not accepted any deposits from the public. According, the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the companies Act, 2013 and the rules framed there under are not applicable to the Company.
6. The Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Companies Act, 2013. In respect of service carried out by the Company. Accordingly, this clause is not applicable to it.
7. a) According to the information and explanations given to us and on the basis of our examination of the records of the company, amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues including provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31st March, 2018 for a period of more than six months from the date they became payable.
b) According to the information and explanations given to us and based on our examination of the records of the Company, there are no material dues of income tax or sales tax or service tax or

duty of customs or duty of excise or value added tax which have not been deposited with the appropriate authorities on account of any dispute.

8. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during our audit.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to it.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. 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. Accordingly, paragraph 3(xv) of the Order is not applicable to it.
16. The Company is Non-Banking Financial Company (Non-deposit taking), registered with the Reserve Bank of India, under section 45-IA of the Reserve Bank of India Act 1934.

For **P. K. AJITSARIA & CO.**
Chartered Accountants
FRN - 317046E

Pawan Kumar Ajitsaria
Partner
Membership No. 053109

Place : Kolkata

Date : The 29th day of May, 2018

ANNEXURE - "B"
TO THE INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **HERALD COMMERCE LIMITED** (CIN : L5190WB1982PLC035364) as of 31st March, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). 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 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.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for

external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that;

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **P. K. AJITSARIA & CO.**
Chartered Accountants
FRN - 317046E

Pawan Kumar Ajitsaria
Partner
Membership No. 053109

Place : Kolkata

Date : The 29th day of May, 2018

BALANCE SHEET AS AT 31ST MARCH, 2018

<u>Particulars</u>	<u>Notes No.</u>	<u>As at 31st March, 2018</u>		<u>As at 31st March, 2017</u>	
		<u>Rs.</u>	<u>P.</u>	<u>Rs.</u>	<u>P.</u>
I. EQUITY AND LIABILITIES					
(1) Shareholder's Funds					
(a) Share Capital	2	208,970,400.00		208,970,400.00	
(b) Reserves and Surplus	3	(35,340,023.70)		(38,057,542.37)	
		173,630,376.30		170,912,857.63	
(2) Non-Current Liabilities					
(a) Long-Term Borrowings	4	329,362.30		532,756.85	
		329,362.30		532,756.85	
(3) Current Liabilities					
(a) Short Term Provision	5	638,917.00		—	
(b) Other Current Liabilities	6	607,397,697.00		607,085,218.00	
		608,036,614.00		607,085,218.00	
Total		781,996,352.60		778,530,832.48	
II. ASSETS					
(1) Non-Current Assets					
(a) Fixed Assets					
(1) Tangible Assets	7	550,781.00		640,976.00	
		550,781.00		640,976.00	
(2) Current Assets					
(a) Current Investment	8	421,498,428.22		421,242,749.27	
(b) Inventories	9	50,763,121.00		49,853,121.00	
(c) Trade Receivables	10	6,926.45		733.20	
(d) Cash and cash equivalents	11	645,610.93		136,818.01	
(e) Short Term Loans and Advances	12	298,930,195.00		297,602,508.00	
(f) Other Current Assets	13	9,601,290.00		9,053,927.00	
		781,445,571.60		777,889,856.48	
Total		781,996,352.60		778,530,832.48	
Significant Accounting Policies	1				
Notes on Financial Statements	2-32				

As per our Report of even date
For **P. K. AJITSARIA & CO.**
Chartered Accountants
FRN - 317046E

For and on behalf of the Board
Krishna Banerjee
Director
DIN No. 06997186

Place : Kolkata
Date : 29th May, 2018

Pawan Kumar Ajitsaria
Partner
Membership No. 053109

Purnna Chandra Barik
Director
DIN No. 02968931

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

<u>Particulars</u>	<u>Notes No.</u>	<u>Year ended</u>		<u>Year ended</u>	
		<u>31st March, 2018</u>		<u>31st March, 2017</u>	
		<u>Rs.</u>	<u>P.</u>	<u>Rs.</u>	<u>P.</u>
INCOMES :					
(a) Revenue from operations	14	440,000.00		19,330,068.96	
(b) Other Income	15	4,469,298.06		4,480,744.60	
Total Revenue		4,909,298.06		23,810,813.56	
EXPENSES :					
(a) Purchases of Stock in Trade	16	1,350,000.00		34,268,814.26	
(b) Change in Inventories of Shares	17	(910,000.00)		(11,986,117.21)	
(c) Employee Benefit Expense	18	486,830.00		375,484.00	
(d) Depreciation		90,195.00		551,815.00	
(e) Finance Cost	19	42,139.45		27,882.85	
(e) Other Expenses	20	493,697.94		1,239,551.39	
Total Expenses		1,552,862.39		24,477,430.29	
Profit before tax and exceptional items		3,356,435.67		(666,616.73)	
Less : Exceptional Items		—		—	
Profit before Tax		3,356,435.67		(666,616.73)	
Tax Expense :					
Current Tax		638,917.00		—	
Profit(Loss) after tax		2,717,518.67		(666,616.73)	
Earning per equity share : (of Rs. 10/- each)					
Basic EPS (in Rs.)	21		0.13		(0.03)
Significant Accounting Policies	1				
Notes on Financial Statements	2-32				

As per our Report of even date
For **P. K. AJITSARIA & CO.**
Chartered Accountants
FRN - 317046E

Pawan Kumar Ajitsaria
Partner
Membership No. 053109

Place : Kolkata
Date : 29th May, 2018

For and on behalf of the Board
Krishna Banerjee
Director
DIN No. 06997186

Purnna Chandra Barik
Director
DIN No. 02968931

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

DESCRIPTION	Year ended 31st March, 2018		Year ended 31st March, 2017	
	Rs.	P.	Rs.	P.
A. Cash Flow from Operating Activities				
Net Profit/(Loss) Before Tax & Extraordinary Items	3,356,435.67		(666,616.73)	
Loss on Sale of Car	—		524,876.00	
Depreciation	90,195.00		551,815.00	
Short Term Capital Gain	—		(12,436.00)	
Interest Paid on Long Term Borrowings	42,139.45		27,882.85	
Interest Received on Loan	(4,196,713.00)		(4,463,250.00)	
Dividend Received	(5,410.00)		(5,058.60)	
Operating Profit/(Loss) before Working Capital Changes	(713,352.88)		(4,042,787.48)	
Changes in Working Capital :				
Inventories	(910,000.00)		17,324,408.75	
Trade Receivables	(6,193.25)		27,836.14	
Short Term Loan and Advances	(1,327,687.00)		9,847,682.00	
Short Term Provision	(638,917.00)		—	
Other Current Assets	(547,363.00)		(423,587.00)	
Trade Payables	638,917.00		(173,157.00)	
Other Current Liabilities	312,479.00		6,021.00	
Borrowings	(203,394.55)		532,756.85	
Income Taxes Paid	—		—	
Net Cash from Operating Activities (A)	(3,395,511.68)		23,099,173.26	
B. Cash Flow from Investing Activities				
Fixed Asstes Purchased	—		(759,220.00)	
Fixed Assets Sold	—		2,160,000.00	
Investment in Shares	(255,678.95)		(29,320,878.06)	
Interest Received on Loan	4,196,713.00		4,463,250.00	
Dividend Received	5,410.00		5,058.60	
Payment made to acquire Equity shares	—		(48,436.86)	
Amount received from Sale of Equity shares	—		60,872.86	
Net Cash Flow from Investing Activities (B)	3,946,444.05		(23,439,353.46)	
C. Cash Flow from Financing Activities				
Interest paid on Long Term Borrowings	(42,139.45)		(27,882.85)	
Net Cash Flow from Financing Activities (C)	(42,139.45)		(27,882.85)	
Net Increase in Cash and Cash Equivalents(A+B+C)	508,792.92		(368,063.05)	
Cash and Cash Equivalents (Opening Balance)	136,818.01		504,881.06	
Cash and Cash Equivalents (Closing Balance)	645,610.93		136,818.01	

As per our Report of even date
For **P. K. AJITSARIA & CO.**
Chartered Accountants
FRN - 317046E

Pawan Kumar Ajitsaria
Partner
Membership No. 053109

Place : Kolkata
Date : 29th May, 2018

For and on behalf of the Board
Krishna Banerjee
Director
DIN No. 06997186

Purnna Chandra Barik
Director
DIN No. 02968931

SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2018**Note 1 : SIGNIFICANT ACCOUNTING POLICIES****(i) COMPANY INFORMATION :**

Herald Commerce Limited is a public company, incorporated in India and regulated by the Reserve Bank of India as a Non Banking Finance - Non Deposit taking company (NBFC-ND). The Company is engaged in financing by way of loans, asset management and investment Banking.

(ii) BASIS OF ACCOUNTING :

The financial statements of the Company are prepared under historical cost convention on an accrual basis of accounting in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014, (as amended).

The accounting policies adopted in the preparation of financial statements are consistent with those used in the previous year.

All assets and liabilities has been classified as current and noncurrent as per the company normal operating cycle & other criteria set out in the schedule III of the Company's Act, 2013.

Further the company follows prudential norms for income recognition and assets Classification as prescribed by the Reserve bank of India (RBI) for Non banking Financial Companies.

(iii) USE OF ESTIMATES :

The preparation of financial statements in conformity with generally accepted accounting principles (Indian GAAP) requires management to make judgements, estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent liabilities on the Balance Sheet date of financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized as and when, the results are known / materialized.

(iv) REVENUE RECOGNITION :

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and revenue can be reliably measured. Interest Income is recognized on a time proportion basis, taking into account the amount outstanding and the interest rate applicable. The Profit /Loss on trading of Investment is recognized at the time of actual sale of Investments. All the Income & expenditures are accounted for on accrual basis except Dividend which is recognized when right to receive is established.

(v) INVESTMENT :

Investments intended to be held for more than a year are classified as Non-Current investments and other as Current investment. Quoted equity shares are valued at cost or market value whichever is lower, where as unquoted equity shares are valued at cost or break up value(fair value) whichever is lower.

SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)**(vi) INVENTORIES :**

Inventories of quoted shares are valued at lower of cost or net realizable value. Inventories of unquoted share have been valued at cost.

(vii) TAXATION :

Income Tax Expenses comprises of current tax and deferred tax charges or credit. Provision for current tax is made on the basis of assessable income at the tax rate applicable in the relevant year. The deferred tax charge or credit is recognised using current tax rates. When there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Others deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Deferred tax assets / liabilities are reviewed as at each balance sheet date based on development during the year to reassess realisation/liabilities.

(viii) RETIREMENT BENEFITS :

Provision for retirement benefits has not been made as no employee has put in the qualifying period of service for entitlement of the benefits.

(ix) FIXED ASSETS :

Fixed Assets are stated at cost net of recoverable taxes, trade discounts and rebates and include amounts added on revaluation, less accumulated depreciation and impairment loss, if any. The Cost of Tangible assets comprises its purchase price, borrowing cost, and any other cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Depreciation

Depreciation on fixed assets is calculated on a straight line basis using the rates and in the manner prescribed in schedule II of the Companies Act, 2013.

(x) CASH FLOW STATEMENT :

Cash flows are reported using the indirect method whereby cash flows from operating, investing and financing activities of the Group are segregated and profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

(xi) PROVISIONS AND CONTINGENCIES :

Contingent Assets are neither recognized nor disclosed in the financial statements. Contingent liabilities are not provided for and are disclosed by way of notes

(xii) EARNING PER 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 year.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

<u>Particulars</u>	As at 31st March, 2018		As at 31st March, 2017	
	Rs.	P.	Rs.	P.
Note : 2 Share Capital				
Authorised				
21000000 (P.Y. 21000000) Equity Shares of Rs. 10/- each	210,000,000.00		210,000,000.00	
	210,000,000.00		210,000,000.00	
Issued, Subscribed & Paid Up				
20897040 (P.Y. 20897040) Equity Shares of Rs. 10/- each	208,970,400.00		208,970,400.00	
Total	208,970,400.00		208,970,400.00	

Note : 2a Details of shareholders holding more than 5% shares in the company :

<u>Particulars</u>	31-03-2018		31-03-2017	
	No. of Shares	%	No. of Shares	%
Arissan Infrastructures Limited	4,405,714	21.08	4,405,714	21.08
Turnkey Infrastructures Pvt. Ltd.	3,034,000	14.52	3,034,000	14.52
Rural Electrification Corporation Ltd.	3,012,740	14.42	3,012,740	14.42
Bahubali Properties Limited	1,415,322	6.77	1,415,322	6.77
Arissan Energy Limited.	1,169,350	5.59	1,169,350	5.59

Note : 2b Reconciliation of number of shares outstanding at the beginning and at the end of the year:

<u>Particulars</u>	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares				
At the beginning of the year	20,897,040	208,970,400.00	20,897,040	208,970,400.00
At the end of the year	20,897,040	208,970,400.00	20,897,040	208,970,400.00

Note : 2c Terms of Issue

The company has only one class of equity shares having a par value of Rs.10/- each. Each shareholder is eligible for one vote per share hold. The company declares and pays dividend in Indian rupees. In the event of liquidation of the company, each Shareholder is entitled to receive remaining assets of the company, after distribution of all preferential amounts, in proportion to the number of equity shares held by them.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

<u>Particulars</u>	As at 31st March, 2018		As at 31st March, 2017	
	Rs.	P.	Rs.	P.
Note : 3 Reserves & Surplus				
Amalgamation Reserve (A)	26,029,233.70		26,029,233.70	
Reserve Fund :				
Opening Balance	438,347.00		438,347.00	
Less : Impact of adoption of schedule II		—		—
Closing Balance (B)	438,347.00		438,347.00	
Surplus/(Deficit) in Statement of Profit & Loss :				
Opening Balance	(64,525,123.07)		(63,858,506.34)	
Add : Profit / (Loss) for the period	2,717,518.67		(666,616.73)	
Closing Balance (C)	(61,807,604.40)		(64,525,123.07)	
Total [A+B+C]	(35,340,023.70)		(38,057,542.37)	
Note : 4 Long Term Borrowings				
Secured Term Loan				
HDFC Car Loan	329,362.30		532,756.85	
Total	329,362.30		532,756.85	
Term Loan from other party is secured by charge on vehicle financed.				
Note : 5 Short Term Provision				
Provision	638,917.00		—	
Total	638,917.00		—	
Note : 6 Other Current Liabilities				
Outstanding Expenses	42,000.00		42,300.00	
Advance Received	607,355,697.00		607,042,918.00	
Total	607,397,697.00		607,085,218.00	

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

Note 7 - Fixed Assets (Tangible Assets)

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Balance as at 1-4-2017	Additions	Sales/Adj.	Balance as at 31-3-2018	Upto 1-4-2017	For the year	Sales/Adj.	Upto 31-3-2018	Balance as at 31-3-2017	Balance as at 31-3-2018
Vehicles	759,220	—	—	759,220	118,244	90,195	—	208,439	550,781	640,976
Total	759,220	—	—	759,220	118,244	90,195	—	208,439	550,781	640,976
Previous Year	759,220	—	—	759,220	118,244	—	—	118,244	640,976	—

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)**Note : 8 Current Investment**

Particulars	Quantity		Amount (Rs.)	
	No. of Share		As at 31.03.2018	As at 31.03.2017
	31.03.2018	31.03.2017		
Investment in Unquoted shares				
Subsidiary Companies :				
Accord Tracon Ltd.	12,119,400	12,119,400	115,779,792.21	115,779,792.21
Rangbarshi Projects Ltd	10,062,900	10,062,900	100,919,000.00	100,919,000.00
Arissan Infrastructures Ltd	9,070,700	9,070,700	90,675,079.00	90,675,079.00
Saltlake Energy Ltd	8,533,800	8,533,800	84,548,000.00	84,548,000.00
	39,786,800	39,786,800	391,921,871.21	391,921,871.21
Investment in Quoted shares				
Mutual Fund				
Reliance Liquid Fund -Treasury Plan-Growth	117	117	392,353.63	392,353.63
Quoted Shares				
21st Century (India) Ltd.	57,850	57,850	12,495.60	12,495.60
Aastha Broad Casting	105,643	105,643	136,279.47	136,279.47
Acme Resources Ltd.	23,200	23,200	46,400.00	46,400.00
Amit Commercial Co. Ltd.	9,000	9,000	60,300.00	60,300.00
Amluckie Investmet Co. Ltd.	20,550	20,550	203,239.50	203,239.50
Anant Raj Ltd	1,000	1,000	33,550.00	33,550.00
Arihant Ltd.	559,800	559,800	7,450,938.00	7,450,938.00
ATN International Ltd.	1,013,339	1,013,339	283,734.92	283,734.92
Avon Mercantile Ltd.	79,500	79,500	159,000.00	159,000.00
Bajaj Hindusthan Sugar & Industries	5,000	5,000	70,350.00	70,350.00
Balaji Telefilms Ltd	-	2,000	-	169,100.00
B G R Energy System Ltd.	2,800	2,800	315,840.00	315,840.00
Blue Bird India Ltd.	650	650	546.00	546.00
Blue Chip India Ltd.	2,054,025	2,054,025	919,293.78	919,293.78
C & C Construction Ltd.	225	225	3,307.50	3,307.50
Cerebra Integrated Technologies Ltd	94,000	94,000	1,665,680.00	1,665,680.00
CMS Infotech Ltd.	203,795	203,795	529,867.00	529,867.00
Concourse Infotech International Ltd.	97,420	97,420	765,721.20	765,721.20
Consolidated Construction Consrot	240	240	849.60	849.60
Den Networks Ltd.	-	1,000	-	67,200.00
Dhanus Technologies Ltd.	224	224	17.92	17.92
DSQ Software Ltd.	800	800	5,880.00	5,880.00
Edelweiss Finance Service Ltd.	1,000	-	285,290.00	-
Electro Steels Ltd	591	591	2,287.17	2,287.17
Ellora International Ltd.	70,000	70,000	700,000.00	700,000.00
Gayatri Projects Ltd.	2,270	2,270	391,568.18	391,568.18

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)**Note : 8 Current Investment (Contd.)**

GHCL Ltd	94,794	94,794	3,995,907.00	3,995,907.00
GMR Infrastructures Ltd.	2,000	3,000	23,760.00	35,640.00
Harakchand Investment Ltd.	24,000	24,000	48,960.00	48,960.00
HFCL LTD	-	1,000	-	12,520.00
Hifunda Com.Ltd.	135,000	135,000	135,000.00	135,000.00
Housing Dev & Infra	13	13	778.05	778.05
Idea Cellour Ltd	344	344	25,438.80	25,438.80
li & Fs Trans Net Ltd	300	300	30,540.00	30,540.00
IL&FS Transporation Networks Ltd	1,250	-	100,664.65	-
India Nivesh Ltd.	8,980	8,980	354,212.50	354,212.50
IVRCL Infra Ltd	1,000	1,000	4,390.00	4,390.00
Jaiprakash Associates Ltd	500	500	4,035.00	4,035.00
Jayaswal Neco Industries Ltd.	142,355	142,355	997,908.55	997,908.55
Kanika Infra & Power Ltd.	13,925	13,925	2,645.75	2,645.75
Kingfisher Airlines Ltd	455	455	618.80	618.80
Lanco Infratech Ltd.	2,000	2,000	7,180.00	7,180.00
Lcc Infotech Ltd.	129,855	129,855	19,478.25	19,478.25
Lokesh Machine Ltd.	150	150	4,215.00	4,215.00
Mangalam India Ltd.	2,760	2,760	15,428.40	15,428.40
MOIL Ltd.	200	200	71,830.00	71,830.00
Mundra Port & Special Economy	150	150	12,544.50	12,544.50
Niharika India Ltd.	200,000	200,000	2,000,000.00	2,000,000.00
Om Metals Infraprojects Ltd	5,040	-	280,022.40	-
Opto Circuits (I) Ltd	700	700	6,720.00	6,720.00
Orbit Corporation Ltd.	500	500	2,100.00	2,100.00
Parsvnath Developers Ltd.	279,458	279,458	3,605,008.20	3,605,008.20
PBA Infrastructures Ltd	2,208	2,208	45,061.80	45,061.80
Plethico Pharmaceuticals Ltd.	20	20	158.80	158.80
Prestige Estates Projects Ltd.	-	500	-	85,600.00
Prudential Capital Market Ltd.	6,000	6,000	31,200.00	31,200.00
Punjab & Sind Bank	13,000	13,000	610,350.00	610,350.00
Punj Lloyd Ltd.	1,000	1,000	18,750.00	18,750.00
Purvanchal Leasing Ltd.	7,500	7,500	15,000.00	15,000.00
Pyramid Saimira Theatre Ltd.	62	62	327.98	327.98
Ramky Infrastructure Ltd.	18,100	18,100	195,480.00	195,480.00
Ramsarup Industries Ltd.	8,000	8,000	18,800.00	18,800.00
Rattan India Infra Ltd	2,950	2,950	8,850.00	8,850.00
Rattan India Power Ltd.	900	900	6,210.00	6,210.00
Rei Agro Ltd	10,000	10,000	4,400.00	4,400.00
Reliance Power Ltd.	1,000	1,000	41,250.00	41,250.00
Reliance Media Work Ltd	2	2	171.44	171.44
Royal Orchid Hotels Ltd.	40	40	2,980.00	2,980.00

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)**Note : 8 Current Investment (Contd.)**

Shiva Cement Ltd.	3,000	3,000	14,100.00	14,100.00
Shree Jagadamba Paper Mills Ltd.	1,000	1,000	35,000.00	35,000.00
Shree Renuka Sugar Ltd.	4,000	4,000	55,720.00	55,720.00
Shree Shaleen Textile Ltd	79,000	79,000	478,740.00	478,740.00
Shree Synthetics Ltd.	64	64	16.00	16.00
Silicon Valley Infotech Ltd.	1,653,780	1,653,780	396,907.20	396,907.20
Snowman Logistics Ltd	1,600	1,600	80,400.00	80,400.00
Spice Mobile Ltd.	1,000	1,000	15,350.00	15,350.00
SPML Infra Ltd.	-	467	-	25,918.50
Steel Authority India Ltd.	500	500	24,600.00	24,600.00
Sunil Hitech Engg Ltd.	5,508	5,508	71,438.76	71,438.76
Tanla Solutions Ltd.	140	140	2,503.20	2,503.20
Tata Global Ltd	-	300	-	36,615.00
Technofab Engineering Ltd	-	12	-	1,464.60
Transformers & Rectifiers (India) Ltd.	1,164	1,164	211,152.51	211,152.51
Triveni Engg & Industries Ltd	30	30	499.50	499.50
Universal Mediawork Ltd.	3,735,880	3,735,880	933,970.00	933,970.00
Vipul Ltd	1,000	1,000	67,646.10	67,646.10
Warner Multimedia Ltd.	4,457	4,457	5,348.40	5,348.40
	11,011,556	11,010,545	29,184,203.38	28,928,524.43
Total	50,798,473	50,797,462	421,498,428.22	421,242,749.27

<u>Particulars</u>	As at 31st March, 2018		As at 31st March, 2017	
	Rs.	P.	Rs.	P.

Note : 09 Inventories

Quoted Shares		—	—
Unquoted Shares		50,763,121.00	49,853,121.00
Total		50,763,121.00	49,853,121.00

Note : 10 Trade Receivable

Unsecured, considered good unless stated otherwise			
Others debts		6,926.45	733.20
Total		6,926.45	733.20

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

<u>Particulars</u>	As at 31st March, 2018		As at 31st March, 2017	
	Rs.	P.	Rs.	P.
Note : 11 Cash and Bank Balances				
Cash-in-Hand :				
Cash in Hand	57,070.28		3,343.28	
Sub Total (A)	57,070.28		3,343.28	
Balance with Banks in Current Accounts :				
Canara Bank	463,544.73		1,767.81	
HDFC Bank	142,892.50		149,603.50	
Indusind Bank New Delhi	(29,926.00)		(29,925.58)	
Oriental Bank Of Commerce	12,029.00		12,029.00	
Sub Total (B)	588,540.65		133,474.73	
Total [A + B]	645,610.93		136,818.01	

Note: 12 Short Term Loan & Advances

Loans to Body Corporate	64,216,891.00	62,840,704.00
Loans to Others	3,500,000.00	3,500,000.00
Advances to Others	231,213,304.00	231,261,804.00
Total	298,930,195.00	297,602,508.00

Note : 13 Other Current Assets

Accrued Interest Receivable	6,659,991.00	6,659,991.00
Prepaid expenses	7,911.00	3,997.00
Income Tax Paid	422,527.00	298,751.00
Tax Deducted at source	2,510,861.00	2,091,188.00
Total	9,601,290.00	9,053,927.00

Note : 14 Revenue From Operations

Sales of Shares	440,000.00	19,330,068.96
Total	440,000.00	19,330,068.96

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

<u>Particulars</u>	As at 31st March, 2018		As at 31st March, 2017	
	Rs.	P.	Rs.	P.
Note : 15 Other Income				
Dividend		5,410.00		5,058.60
Interest on Loan		4,196,713.00		4,463,250.00
Long Term Capital Gain		148,975.40		12,436.00
Short Term Capital Gain		118,199.66		—
Total		4,469,298.06		4,480,744.60

Notes : 16 Cost of shares Purchased

Purchase of Shares		1,350,000.00		34,268,814.26
Total		1,350,000.00		34,268,814.26

Notes : 17 Change in Inventories

Opening Stock		49,853,121.00		67,177,529.75
Add : Transfer from Investment to Stock in Trade		—		—
Less : Transfer from Stock in Trade to Investment		—		29,310,525.96
		49,853,121.00		37,867,003.79
Closing Stock		50,763,121.00		49,853,121.00
Total		(910,000.00)		(11,986,117.21)

Note: 18 Employee Benefit Expense

Salaries		486,830.00		375,484.00
Total		486,830.00		375,484.00

Note: 19 Finance Costs

Interest on HDFC Car Loan		42,139.45		27,882.85
Total		42,139.45		27,882.85

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

<u>Particulars</u>	As at 31st March, 2018		As at 31st March, 2017	
	Rs.	P.	Rs.	P.
Note : 20 Other Expenses				
Advertisement	12,367.00		15,525.00	
Payment to auditors (refer note below)	37,000.00		37,300.00	
Bank Charges	1,002.00		4,501.00	
Car Insurance Charges	13,586.00		107,939.00	
Custodian Charges	132,124.50		142,096.85	
Delay Paying Charges		—	47.20	
Donation		—	50,000.00	
Income Tax for Earlier Year		—	94,877.00	
Filing Fees	12,000.00		37,800.00	
Travelling Expenses	8,701.00		49,356.00	
Computer Maintenance Charges		—	1,145.00	
Miscellaneous Expenses	9,742.00		10,560.00	
Postage & Telegram	5,071.00		11,356.00	
Printing & Stationery	17,049.00		15,706.00	
Professional charges	40,536.00		24,824.00	
Rates & Taxes	3,150.00		5,350.00	
Loss on Sale of Car		—	524,876.00	
Security Transaction Tax	1,344.04		2,984.00	
Share Transfer Charges	8,626.00		—	
Share Trading & Other Statutory Expenses	430.98		924.87	
Loss on Share Trading		—	8.47	
Repair & maintenance	185,000.00		99,615.00	
Software Development Charges	4,189.00		2,760.00	
Demat charges	1,779.42		—	
Total	493,697.94		1,239,551.39	

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)**21. Earning Per Share :-**

The Company reports basic and diluted earning per equity share in accordance with Accounting Standard - 20 'Earnings per Share' issued by the Institute of Chartered Accountants of India :

	<u>F. Y. 2017-18</u>	<u>F. Y. 2016-17</u>
Profit / (Loss) for the Year	Rs. 27,17,518.67	Rs. (6,66,616.73)
No. of Shares of Rs. 10/- each	2,08,97,040	2,08,97,040
EPS	Rs. 0.13	Rs. (0.03)

22. There are no dues to Micro, and small enterprises as defined in "The Micro, small and Medium Enterprises Development Act, 2006, as determined to the extent such parties have been identified on the basis of information available with the company.

- (a) The Company has given Loans and advances of Rs. 26,02,13,304/- and accrued interest receivable Rs. 66,59,991 which are outstanding since long time. The management is of the opinion that all efforts are being made for realisation but there is likely chance of non realisation of current and outstanding interest no provision towards interest has been made.
- (b) Company had filed winding up petition before the Hon'ble High court at Shimla for recovery of loan amounting to Rs. 2 crores from M/s. Indian Technomac Company Ltd. The Criminal proceedings have also been filed against the said company and its directors u/s 138 of Negotiable Instrument Act before Metropolitan Magistrate, Bankshall Court, Kolkata. The cases are under trial and management is confident of favorable results.
- (c) Interest receivable recognized before the relevant loans became doubtful and remaining unrealized are not reversed, considering the accumulated losses and further losses during the year by the management. Interest on such loans & advances are being recognised on actual receipt basis.

23. In accordance with the requirements of Accounting Standard - 18, "Related Party Disclosure", issued by the Institute of Chartered Accountants of India, the name of the related party as identified and certified by the management is given below :

- (a) List of Related Parties with whom transaction have taken place and Relationships :

Key Management Personnel

Mr. Purnna Chandra Barik - Director
 Mr. Sanjay Das - Director
 Mr. Bikash Adhikary - Director
 Mrs. Krishna Banerjee - Director

Subsidiary Companies

Accord Tracon Pvt. Ltd.
 Rangbarshi Projects Pvt. Ltd
 Arissan Infrastructures Pvt. Ltd
 Saltlake Energy Pvt. Ltd.

Enterprises over which the company has signification influence :	<u>Purchase</u>	<u>Sale</u>
KANUPRIYA COMMERCIAL PVT LTD	—	100,000.00
ABHIRUCHI VISION PVT LTD	—	40,000.00
CMS FINVEST LTD.	—	50,000.00

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

24. In view of no virtual certainty of future profits to set off losses, no provision for deferred tax has been made as required.
25. Information pursuant to paragraph 13 of Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 are given in Annexure - I.
26. Certain Trade receivables, Trade payables, Loans & Advances Payable and loans & advance receivables are subject to confirmation /reconciliation and consequential adjustments, if any arising thereof . In the opinion of the management, current assets, loans and advances will have value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.
27. The Company has disputed against Other Current Liabilities of Rs. 18,10,88,607/-. The management is of the opinion that since there is dispute with the concerned entities hence no repayment and interest has been made during the Current Financial Year.
28. Since the company has operated in one segment i.e. fund based activities, provision relating to segment wise report as per AS- 17 are not applicable.
29. The Valuation of inventories of unquoted equity shares has been done at cost, as the break-up value (Fair Value) of the unquoted equity shares are not available.
30. Earning in foreign exchange and expenditure in foreign Currency - NIL (P.Y. - NIL)
31. Figures in brackets represents previous year figures.
32. Previous Year figures have been regrouped, rearranged and recasted wherever considered necessary.

As per our Report of even date
For **P. K. AJITSARIA & CO.**
Chartered Accountants
FRN - 317046E

Pawan Kumar Ajitsaria
Partner
Membership No. 053109

Place : Kolkata
Date : 29th May, 2018

For and on behalf of the Board
Krishna Banerjee
Director
DIN No. 06997186

Purnna Chandra Barik
Director
DIN No. 02968931

5. Borrower group-wise classification of assets financed as in (2) and (3) above :

Please see Note 2 below

Category	Amount (Net of Provisions) (Rs.)		
	Secured	Unsecured	Total
1. Related Parties**			
(a) Subsidiaries	NIL	NIL	NIL
(b) Companies in the same group	NIL	NIL	NIL
(c) Other related parties	NIL	NIL	NIL
2. Other than related parties	NIL	2989.30	2989.30
Total	NIL	2989.30	2989.30

6. Investor group-wise classification of all investments (Current and Long Term) in shares and securities (both quoted and unquoted) :

Please see Note 3 below

Category	Market Value/Break-up or Fair Value or NAV	Book Value (Net of Provisions)
1. Related Parties**		
(a) Subsidiaries	NIL	NIL
(b) Companies in the same group	NIL	NIL
(c) Other related parties	4214.98	NIL
2. Other than related parties	NIL	NIL
Total	4214.98	NIL

** As per Accounting Standard of ICAI (Please see Note 3).

7. Other Information :

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related Parties	NIL
(b) Other than related parties	NIL
(i) Net Non-Performing Assets	
(a) Related Parties	NIL
(b) Other than related parties	NIL
(iii) Assets acquired in satisfaction of debt	NIL

Notes :

- As defined in paragraph 2(1)(xii) of Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value / NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.

**E-MAIL REGISTRATION FORM
FOR SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM**

To,
Maheshwari Datamatics Pvt. Ltd.
Unit : Herald Commerce Limited
23, R. N. Mukherjee Road, 5th Floor
Kolkata - 700 001
Phone : 033-22435029/5809

Dear Sirs,

Re : Registration of email ID for receiving communications in electronic form

I/We am/are shareholder of the Company. I/We want to receive all communication from the Company including AGM and other General Meeting notices and explanatory statement(s) thereto. Balance Sheets, Directors Report, Auditor's Report etc. through email. Please register my e-mail ID, set out below, in your records for sending communication through e-mail :

Folio No. :

Name of 1st Registered Holder :

Name of Joint Holder(s) :

Address :

Pin Code :

E-mail ID (to be registered) :

Contact Tel. Nos.: Mobile :

Landline :

PAN No. :

Date :

Signature :

Important Notes :

1. On registration, all the communication will be sent to the e-mail ID registered in the folio.
2. The form is also available on the website of the Company www.heraldcommerce.com
3. Any change in e-mail ID, from time to time, may please be registered in the records of the Company.

FOR SHAREHOLDERS HOLDING SHARES IN DEMAT FORM

Members holding share in demat form may register the e-mails with their respective depository participant.

THIRTY SIXTH

ANNUAL REPORT

2017-2018