

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

THE INDIAN ECONOMY

Fiscal year 2010-11 was a mixed year for the Indian Economy. The economy began the year on a confidential note with high growth which however tapered off towards the closing of the year. Thus the GDP grew by 9.3% in the first Quarter (April-June 2010) which dropped to 7.8% in the last Quarter (Jan-March 2011) accompanied by a steep drop in investment levels. The biggest threat to the growth performance of the Indian economy was the rising inflation. As compared with the last fiscal year 2009-10 in which the performance of the Indian Economy greatly exceeded expectations, it was hard to visualize strong economic growth in the year 2010-11. The implications of this, for India's strategy to return to the 9.0 per cent growth trajectory, are that public policy must promote business confidence and facilitate increased investment.

BUSINESS OVERVIEW

The objective of the business is to further enhance the rental portfolio of assets/premises and increase the rental revenue flow from these assets.

Internal Control System and their Adequacy

The Company has adequate Internal Control System commensurate with the size and nature of the business. This system has been designed to ensure that;

- a. All assets are acquired economically, used efficiently and protected against loss, destruction or unauthorized use.
- b. All resources are used efficiently and effectively.
- c. Accounting, Financial, and other Operational information are accurate, reliable and provided timely, and
- d. All applicable laws and internal policies are complied with in true spirit.

We have an internal audit function which is empowered to examine the adequacy and the compliance with policies and statutory requirements. The top management and the Audit Committee review the findings and recommendations in the Inter Audit Report, so that the corrective measures can be initiated as appropriate.

Operational and Financial performance

The Company has achieved a considerable growth in the financial performance during the year.

1. Total Revenue
Total Income of the Company for the financial year 2010-11 amounts to Rs. 937767.49 which was an increase of 13.42% over last year's figure.
2. Profit before Tax
Profit before tax for the year under review was Rs. 612735.98, an increase of 12.82% over the last year's figure.

3. Profit after Tax

Profit after tax for the year under review was Rs. 467735.66 which registered an increase of 11.88% over the last year's figure.

Forward Looking Statements

The above report contains certain forward looking statements within the meaning of applicable security laws and regulations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

CORPORATE GOVERNANCE REPORT**1. Board of Directors****Composition**

As on March 31st 2011 the Board of the Directors of the Company consisted of four Directors with varied experience in different areas. The composition of the Board is in conformity with the clause 49 of the provisions of Listing agreement, with 50% of the Board consisting of Independent Directors. The details of composition and categories of Directors are as follows.

Category	Name of Directors
Director	Harkishan Chandrakant Shah
Director	B. H. Maroo
Director	Shamji Mulji Shah
Director	Prabha M. Shah

Number of Board Meetings

A total of six meetings of the Board of Directors were held in the financial year 2010-11, i.e. on 19.04.2010, 26.05.2010, 14.08.2010, 9.11.2010, 29.01.2011 and 04.03.2011. The company thus observed the provisions of listing agreement allowing not more than four months gap between two such meetings.

Director's Attendance record and Directorships held

Sr. No	Names of Directors	Number of Board Meetings Attended	Whether last AGM held on Aug 28, 2010 attended	Other Directorships held (including in Pvt. Co's) at year end	Number of Committee membership/Chairmanship in other domestic companies as at year end
1	Harkishan Chandrakant Shah	6	Yes	1	-
2	B. H. Maroo	4	Yes	-	-
3	Shamji Mulji Shah	5	Yes	-	-
4	Shri. Prabha M. Shah	3	No	2	-

3. General Body Meeting

Location and time where the last three Annual General Meetings were held:

AGM	Year	Venue	Date & Time	No. of Special Resolutions passed
28 th	2009-10	601/602A, Fair Link Centre, Off Andheri Link Road, Andheri (West) Mumbai – 400 053	28-08-2010 at 2.30 pm	-
27 th	2008-09	601/602A, Fair Link Centre, Off Andheri Link Road, Andheri (West) Mumbai – 400 053	25-07-2009 at 12.30 pm	-

26 th	2007-08	601/602A, Fair Link Centre, Off Andheri Link Road, Andheri (West) Mumbai – 400 053	26-07-2008 at 2.00 p.m.	-
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4. Disclosure

- i. Disclosure on material transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management and their subsidiaries or their relatives, among others that may have potential conflict with the interest of the Company at large.

None of the transactions with any related parties were in conflict with the interests of the Company.

- ii. Details of non compliance by the Company, penalties strictures imposed by the stock exchanges/SEBI or any other statutory authority and any matter related to capital markets, during the last three years.

None.

- iii. Though there is no formal whistle blower policy, the Company takes cognizance of complaints made and suggestions given by the employees and others. No person has been denied access to the Audit Committee.

5. Code of Conduct for Board Members and Senior Management

Your company has adopted a code of conduct for all the Board members and members of senior management, between whom it has been circulated and compliance thereto affirmed. The declaration to this effect from the Managing Director affirming compliance with the said code by all the Board members and members of senior management, to whom the code is applicable, is annexed separately to this Report.

6. Means of Communication

- a) The quarterly financial results were published during the financial year in Free Press Journal and Navshakti.
- b) Annual Report containing Director's Report, Auditor's Report and other important information as required to be set out in this has been sent to the members and other person entitled to receive this.

7. General Shareholder's Information

A. 29th Annual General Meeting	
Date	: 17 th September' 2011
Time	: 2:30 PM
Venue	: Financial Calendar 01/04/2011 to 31/03/2012 (tentative)
Unaudited First Quarterly Results	: August 4, 2011
Unaudited Second Quarterly Results:	End of October 2011
Unaudited Third Quarterly Results	: End of January 2012

HEM HOLDINGS AND TRADING LTD.

	Unaudited Fourth Quarterly Results :	End of May 2012
B.	Date of Book Closure :	12th September 2011 to 17th September 2011 (both days inclusive)
C.	Dividend Payment Date :	-
D.	Listing :	Bombay Stock Exchange
E.	Stock Code :	BSE 505520
	Scrip ID :	ZHEMHOLD
F.	ISIN Number :	-
G.	Dematerialisation details	-
H.	Outstanding GDR/ADR	Not Applicable as the Company has not issued any GDR/ADR so far.
I.	Address For Correspondence	Hem Holdings & Trading Ltd., 601/602A, Fair Link Centre, Off Andheri Link Road, Andheri (West), Mumbai – 400 053 Tele Fax: 022 40034768
J.	Email ID of Compliance Officer	simplexm@airtelmail.in

Place: Mumbai
Date: 3rd August, 2011

On behalf of the Board

Sd/-
(H. C. Shah)
Director

HEM HOLDINGS & TRADING LIMITED

Regd. Office - 601/602A, Fair Link Centre, Andheri Link Road, Andheri (West) Mumbai - 400 053

DIRECTORS' REPORT

Dear members,

Your Directors are pleased to present the 29th Annual Report and Accounts of your Company, for the year ended 31st March, 2011.

FINANCIAL RESULTS:

	Year ended 31-03-2011	(Rs. in '000) Year ended 31-03-2010
Total Income	937.76	811.93
Total Expenditure	325.03	277.75
Profit Before Tax	612.73	534.17
Provision for Taxation	145.00	122.00
Profit after Tax	467.73	412.17

DIVIDEND:

In order to conserve funds of the Company, for future growth, the Board of Directors have decided not to recommend any dividend for the year under review.

PERFORMANCE REVIEW:

The total Income for the financial year 2010-2011 was Rs. 9.37 lacs as against Rs. 8.12 lacs for the year 2009- 2010. The profit before tax was Rs.6.12 lacs and profit after tax was Rs. 4.67 lacs for the year under review.

FUTURE PROSPECTS:

The Company have attained higher income for the year under review, due to increase in rental income, dividend income and interest received. In future your Company expects better result in comparison to the current year.

Conservation of Energy, Technology & Foreign Exchange:

The Company not being a manufacturing Company and there being no inflow and outgo of foreign exchange, conservation of energy, Technology & Foreign Exchange is not applicable, as such, information as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors Rules, 1988), is not applicable.

PUBLIC DEPOSITS:

The Company has not accepted any deposit within the meaning of section 58A of the Companies Act, 1956 and the Rules made there under.

PARTICULARS OF EMPLOYEES:

Information as per Section 217(2A) of the Companies act, 1956 read with the Companies (Particulars of employees) Rules 1975 as amended, are not applicable, as none of the employees drew remuneration beyond the limits specified.

BOARD OF DIRECTORS:

Shri Shamji Mulji Shah, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment. Your Directors recommend his appointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

- a) that in the preparation of the annual accounts for the year, the applicable accounting standards have been followed and that there are no material departures;
- b) they have selected such accounting policies and have applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of Company at the end of the financial year, and of the profit of the Company for the period ended 31st March, 2011.
- c) they 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.
- d) They have prepared the annual accounts on a going concern basis.

AUDITORS:

M/s Parikh & Shah, Chartered Accountants, who are the Statutory Auditors of the Company, hold office until the ensuing Annual General Meeting. It is proposed to re-appoint them for the financial year 2011-2012. They have under section 224(1) of the Companies Act, 1956, furnished the certificate of their eligibility for re-appointment.

AUDITORS REPORT:

The observations made by the Auditors is self-explanatory, and, hence do not require any further explanations.

ACKNOWLEDGEMENTS:

Your Directors wish to place on record their appreciation of the assistance and cooperation extended to the Company by Banks, employees, shareholders and all other persons who are associated with the Company.

Date: 3rd August, 2011

Place: Mumbai

For and on behalf of the Board


H. C. SHAH)
DIRECTOR

H. S. PARIKH, B.Com., F.C.A.
D. B. MOHINI, B.Com., F.C.A.
V. M. PARIKH, B.Com., F.C.A.
H. K. DESAI, B.Com., F.C.A.

Bhupati Chambers, 1st Floor,
13, Mathew Road,
Opera House,
MUMBAI - 400 004.

AUDITOR'S REPORT

**TO,
THE MEMBERS OF
HEM HOLDINGS AND TRADING LIMITED**

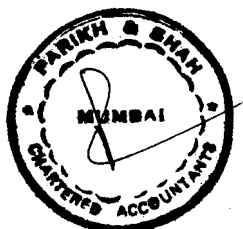
1. We have audited the attached Balance Sheet of **HEM HOLDINGS AND TRADING LIMITED**, as at 31st March, 2011, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the over all financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the Order) issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to above, we report that:

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit ;



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- ii) In our opinion, proper books of accounts as required by law have been kept by the Company "so far as appears from our examination of the books ;
- (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
- (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956 to the extent applicable;
- v) On the basis of Written representations received from the directors as on 31st March, 2011 and taken on a record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes there on, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
 - c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



MUMBAI: 3rd AUGUST, 2011

FOR PARIKH & SHAH.
CHARTERED ACCOUNTANTS.
FIRM REGISTRATION NO. 107528W


(V.M. PARIKH).
PARTNER.
MEMBERSHIP NO. 7878.

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H. S. PARIKH, B.Com., F.C.A.
D. B. MOHINI, B.Com., F.C.A.
V. M. PARIKH, B.Com., F.C.A.
H. K. DESAI, B.Com., F.C.A.

Bhupati Chambers, 1st Floor,
13, Mathew Road,
Opera House,
MUMBAI - 400 004.

ANNEXURE

RE: HEM HOLDING AND TRADING LIMITED

**ANNEXURE TO AUDITORS' REPORT ON THE ACCOUNTS FOR
THE YEAR ENDED : 31ST MARCH, 2011.**

(Referred to in Paragraph 3 of our report of even date)

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 have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
 - c) No Fixed assets have been disposed off during the year.
2. In view of the nature of the Company's business, there being no inventory, the provisions of Clause 4(ii) of the Order are not applicable to the Company.
3. The Company has neither granted any Loan to or taken any loan from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and hence clause 4(iii) of the Order is not applicable for the year.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and nature of its business for the purchase of fixed assets and sale of service. During the course of our audit, we have not observed any major weaknesses in internal control system. There is no purchase of inventory or sale of goods.



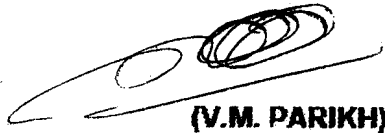
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5. In our opinion, and according to the information and explanations given to us, there are no contracts or arrangement that need to be entered in the register required to be maintained under section 301 of the Companies Act, 1956.
6. The Company has not accepted any deposits from the public and consequently, the provisions of clause 4(vi) of the Order are not applicable to the Company.
7. *The requirement of Internal Audit is applicable to the Company. The Company does not have formal internal audit system, however, as explained to us, the existing internal control procedures ensure reasonable checks of its financial and other records.*
8. In view of the nature of the its business, the Company is not required to maintain cost records under section 209 (1) (d) of the Companies Act, 1956.
9. According to information and explanations given to us,
 - a) According to the records of the Company, the Company has been regular in depositing undisputed statutory dues including Income Tax and other material statutory dues with the appropriate authorities and no undisputed amounts payable in respect thereof were in arrears as at 31st March, 2011. As informed to us Provident fund, Investor Education and Protection fund, State Insurance, Sales Tax, Service Tax, Custom Duty, Excise Duty and Cess are not applicable to the Company.
 - b) There were no undisputed statutory dues mentioned above which have not been deposited.
10. The Company does not have any accumulated losses at the end of the financial year. The company has not incurred any cash losses during the financial year and in the immediately preceding financial year.
11. The Company has no dues payable to any financial institution or bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and/or other securities.



13. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of Order are not applicable to the Company. All the shares and units held as investments, at the close of the year, are held in the name of the Company.
15. According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
16. The Company has not obtained any term loans during the year.
17. According to the information and explanations given to us, the Company has not raised any funds on short term basis during the year.
18. The Company has not made any preferential allotment of shares to the parties or companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year.
19. There are no debentures issued or outstanding during the year and accordingly, the creation of security or charge thereof does not arise.
20. The Company has not raised any money by public issues during the year and hence the requirement of disclosure and verification of end use of such money is not applicable.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.


FOR PARIKH & SHAH
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 107528W


(V.M. PARIKH).
PARTNER.
MEMBERSHIP NO. 7878.

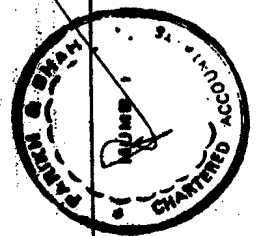
MUMBAI: 3rd AUGUST, 2011

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PARIKH & SHAH
Chartered Accountants

HEM HOLDINGS AND TRADING LIMITED
BALANCE SHEET AS AT : 31ST MARCH, 2011

PREVIOUS YEAR	LIABILITIES	CURRENT YEAR	PREVIOUS YEAR	ASSETS	CURRENT YEAR
	SHARE CAPITAL :			FIXED ASSETS :	
	Authorised :		214,001.00	As per Annexure 'A'	203,301.00
2,500,000.00	2,50,000 Equity Shares of Rs. 10/- each	2,500,000.00	3,731,471.24	INVESTMENTS : (AT COST)	3,771,647.59
	Issued and Subscribed :			As per Annexure 'B'	
2,400,000.00	2,40,000 Equity Shares of Rs. 10/- each fully paid	2,400,000.00	4,254.16	CURRENT ASSETS,	
	RESERVES AND SURPLUS:			LOANS AND ADVANCES :	
	Special Reserve Fund :		800,000.00	CURRENT ASSETS :	6,387.65
	Balance as per last			Cash on hand	
547,000.00	Balance Sheet	632,000.00		Bank Balances :	
	Add: Transferred from			With a Scheduled Bank :	
85,000.00	Profit and Loss Account	95,000.00		In Fixed Deposits	1,200,000.00
632,000.00		727,000.00		In Current Account	382,951.78
					1,582,951.78
					1,589,339.43
	General Reserve :			LOANS AND ADVANCES :	
38,400.00	Balance as per last	38,400.00		(Unsecured-Considered	
	Balance Sheet			Good)	
				Advances Recoverable in	
1,635,184.99	Profit and Loss Account	2,010,759.67	176,081.00	cash or in kind or for value	
1,873,584.99		2,049,159.67	1,359,364.75	to be received	253,990.00
2,305,584.99		2,776,159.67			1,843,329.43



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320,752.00	CURRENT LIABILITIES AND PROVISIONS :	358,618.35				5,818,778.02
278,500.00	Current Liabilities :	283,500.00				
599,252.00	Sundry Creditors					
	Provisions :					
	Provision for Taxation					
	ACCOUNTING POLICIES AND NOTES : As per Annexure 'C'		642,118.35			
5,304,836.99		Rs.	5,818,778.02	5,304,836.99	Rs.	5,818,778.02

As per our report attached.

FOR PARKH & SHAH.

FIRM REGISTRATION NO 107528W



(V.M. PARKHI).

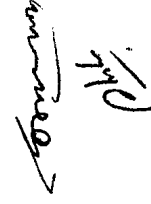
PARTNER.

MEMBERSHIP NO.7878.

MUMBAI : 3rd August, 2011

MUMBAI : 3rd August, 2011

DIRECTORS.



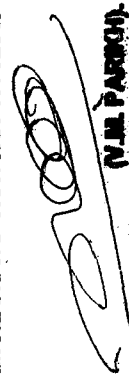
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HEM HOLDINGS AND TRADING LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR
		By Profit	616,000.00
		" Dividend	172,189.17
		" Interest : On Bank Deposits	16,607.00
		" Profit on Sale of Investments	13,132.26
			937,767.43
		By Balance brought forward from previous year	1,355,941.58
		" Balance brought down	412,173.43
		" Excess Provision for Taxation for earlier year	
			2,165,759.67
			2,165,759.67
			1,635,184.99
			467,785.68
			2,830.00
			2,165,759.67

As per our report attached

FOR PAREKH & SHAH
CHARTERED ACCOUNTANTS.
FIRM REGISTRATION NO. 107526W


(V.M. PAREKH)
PARTNER.

MUMBAI: 3rd August, 2011

MUMBAI: 3rd August, 2011

DIRECTORS.

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HEM HOLDINGS AND TRADING LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED : 31ST MARCH, 2011

	<u>2010-2011</u>	<u>2009-2010</u>
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit/(Loss) before Tax and extra ordinary items	612,736	534,173
Adjustments for		
Depreciation	10,700	11,263
Interest Received	(71,410)	(16,607)
Dividend Received	(184,357)	(172,189)
Profit or Loss on Sale of Investments	-	(13,132)
	<u>(245,067)</u>	<u>(190,666)</u>
Operating Profit/(Loss) before working capital changes	367,669	343,508
Adjustments for		
Trade and Other receivable	(17,947)	15,120
Trade Payable	37,866	4,101
	<u>387,588</u>	<u>362,729</u>
Cash generated from Operations	387,588	362,729
Direct Taxes Paid/Refund Received	(197,124)	(17,004)
Net Cash from Operating Activities	<u>A 190,464</u>	<u>345,725</u>
(B) CASH FLOW FROM INVESTMENTS ACTIVITIES :		
Sales of Investments	-	19,513
Purchase of Investments	(40,176)	(150,000)
Interest Received	71,410	16,607
Dividend Received	184,357	172,189
Net Cash from Investments Activities	<u>B 215,591</u>	<u>58,309</u>
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Loans Received / (Repaid)	-	-
Interest Paid	-	-
Net Cash used in Financing Activities	<u>C -</u>	<u>-</u>
Net change in cash and cash Equivalents (A + B + C)	<u>406,055</u>	<u>404,034</u>
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	1,183,284	779,250
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	1,589,339	1,183,284

As per our report attached.

FOR PARIKH & SHAH.

FIRM REGISTRATION NO 107528W

(V.M. PARIKH)

PARTNER

MEMBERSHIP NO. 7878.

MUMBAI : 3rd August, 2011

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DIRECTORS

MUMBAI : 3rd August, 2011

ANNEXURE - A

HEM HOLDINGS AND TRADING LIMITED

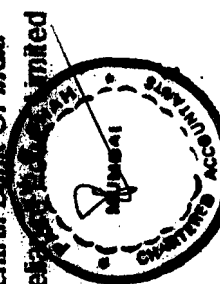
SCHEDULE OF FIXED ASSETS ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT : 31ST MARCH 2011

PARTICULARS	G R O S S B L O C K			(COST)			D E P R E C I A T I O N				N E T B L O C K	
	AS ON 01/04/2010	ADDITIONS/ (DEDUCTIONS) DURING THE YEAR	AS AT 31/03/2011	UPTO 31/03/2010	PROVIDED DURING THE YEAR	DEDUCTIONS DURING THE YEAR	UPTO 31/03/2011	AS ON 31/03/2011	AS ON 31/03/2010			
Premises	834,037.50	-	834,037.50	620,036.50	10,700.00	-	630,736.50	203,301.00	214,001.00			
Rs.	834,037.50	-	834,037.50	620,036.50	10,700.00	-	630,736.50	203,301.00	214,001.00			

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HEM HOLDINGS AND TRADING LIMITED**SCHEDULE OF INVESTMENTS ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011****INVESTMENTS (AT COST) :****LONG TERM (QUOTED) :****TRADE :****1. EQUITY SHARES (QUOTED) :**

Name of the Company & Funds	* Number of Shares/Units	As At 31st March, 2011	As At 31st March, 2010
Simplex Castings Limited	47,500	(47,000)	1,681,980.23
** Hindustan Lever Limited	400	(400)	60,024.00
****Oil and Natural Gas Corporation Limited	280	(70)	39,010.00
** Hindalco Industries Ltd. (Fully paid up)	528	(528)	68,113.00
Pfizer (India) Limited	66	(66)	45,210.00
Chambal Fertilizers & Chemicals Limited	1,000	(1,000)	20,600.00
*** East India Hotels Limited	750	(750)	22,350.00
ICICI Bank Limited	250	(250)	69,000.00
Sunflag Iron & Steel Co. Limited	3,000	(3,000)	55,169.24
Investment & Precision Casting Limited	400	(400)	50,278.80
National Thermal Power Co. Limited	900	(400)	139,545.35
***Baltapur Industries Limited	1,500	(1,500)	38,970.00
Sarda Energy & Minerals Limited	100	(100)	14,483.50
*** Siemens Limited	200	(200)	100,455.81
State Bank of India Limited	60	(60)	63,569.39
*** Hindustan Zinc Limited	1,000	(100)	80,412.14
Reliance Communication & Venture Ltd.	500	(500)	229,292.76
Central Bank Of India	60	(60)	6,120.00
Reliance Industries Limited	25	(25)	6,880.00



IDBI Bank Limited	1,000	(1,000)	45,099.00	45,099.00
IDFC Limited	400	(400)	37,220.35	37,220.35
Shri Bajrang Alloys Limited	1,000	(1,000)	27,590.28	27,590.28
Tamboli Capital Limited	800	(800)	15,273.74	15,273.74
TOTAL (I)			2,916,647.59	2,876,471.24

II. MUTUAL FUNDS : (QUOTED) :

HSBC Midcap Equity Fund Growth Account	3260.919	(3,260.92)	50,000.00	50,000.00
HDFC Top 200 Fund Growth Account	703.72	(703.72)	100,000.00	100,000.00
HSBC Midcap Equity Fund	12950.955	(12950.955)	140,000.00	140,000.00
Fidelity Equity Growth Fund	9669.554	(9669.554)	115,000.00	115,000.00
SBI Blue Chip Fund	5000.00	(5000.00)	50,000.00	50,000.00
Fidelity India Special Situation Fund	9779.951	(9779.951)	100,000.00	100,000.00
Franklin Templeton India Equity Fund-Dividend	19550.342	(19550.342)	200,000.00	200,000.00
SBI - Infrastructure Fund- Dividend	1000.00	(1000.00)	100,000.00	100,000.00
TOTAL (II)			855,000.00	855,000.00
TOTAL (I)+(II)			3,771,647.59	3,731,471.24

(Market Value of Quoted Investments Rs.56,15,470/- Previous Year Rs.57,16,908/-)

* Face Value of all Shares/Units is Rs. 10/- each except.

a) Marked ** of which face value of Rs. 1/- each.

b) Marked *** of which face value of Rs. 2/- each.

c) Marked **** of which face value of Rs. 5/- each

d) Shares of Hindustan Zinc Ltd. includes Bonus Shares of 500

e) Shares of Oil & natural Gas Corporation Ltd. includes Bonus Shares of 140

* Previous Year's figures are shown in brackets.

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HEM HOLDING AND TRADING LIMITED

**SCHEDULE OF ACCOUNTING POLICIES AND NOTES ANNEXED TO AND FORMING PART OF THE
BALANCE SHEET AS AT : 31ST MARCH 2011**

1) ACCOUNTING POLICIES :

(a) Basis of Accounting :

The accounts have been prepared on the basis of historical costs.

(b) Fixed Assets :

Fixed Assets are valued at cost less depreciation; Cost comprises of purchase price and any attributable cost of bringing the assets to the working conditions for its intended use.

(c) Depreciation :

Depreciation on Fixed Assets has been provided on "Written Down Value Basis" in the manner and at the rates specified in Schedule XIV of the Companies Act, 1956.

(d) Investments :

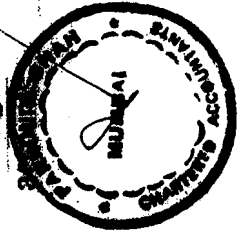
Investments are stated at cost of acquisition. Investments being Long Term Investments, diminution, if any, in their market value on account of temporary factors is not provided for.

(e) Recognition of Income and Expenditure :

Items of Income and Expenditure are generally recognised on accrual basis.

(f) Contingent Liabilities :

Contingent Liabilities, if any, are generally not provided in the accounts and are shown separately in notes to the



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(g) Deferred Tax :

Deferred tax asset or liability is recognised for timing differences between the profit as per financial statements and the profit offered for income tax, based on tax rates have been enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only if there is reasonable certainty that sufficient future taxable income will be available, against which they can be realised.

2) Sundry Creditors include Security deposit for premises Rs.3,00,000/- (Previous Year Rs.3,00,000/-)

3) a) Income from Service Activity : Rent is shown separately in Profit and Loss Account and hence it is not repeated here.

b) Tax deducted at source from Interest :

On Fixed Deposits with a Bank Rs.6,609/- (Previous Year Rs.2,517/-)

4) Miscellaneous Expenses include

<u>Particulars</u>	<u>Current Year</u>	<u>Previous Year</u>
Filing Fees	7,250.00	3,000.00
Postage, Telegrams & Telephone	13,618.00	1,141.00
Listing Fees	11,030.00	12,114.00
Professional Fees	9,440.00	7,662.00
Advertisement	22,862.00	20,945.00

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B. Related party Transactions :

SR. NO NATURE OF TRANSACTIONS

DIRECTORS
2010-2011 2009-2010

1	Sitting Fees	18,000.00	12,000.00
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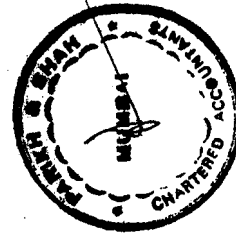
C. There are no write offs/Write back of any amounts for any of the above related parties.

8) In accordance with accounting Standard -22 Accounting for taxes on income deferred Tax asset arising on account of brought forwarded losses and unabsorbed depreciation are presently not recognised for want of certainty of future taxable income being generated.

	<u>Current Year</u>	<u>Previous year</u>
9) Earnings per Share (EPS) :		
Profit/(Loss) after tax	467,736	412,173
Number of Equity Shares at the beginning and at the end of the year	240,000	240,000
Basic/Diluted Earning per share	Rs. 1.95	Rs. (1.72)

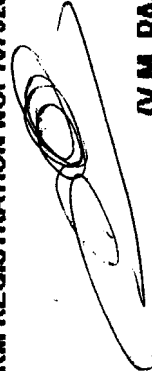
10) Information required in terms of Part IV of Schedule VI of the Companies Act, 1956 is attached herewith.

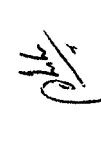
11) Previous Year's figures have been regrouped/rearranged, wherever necessary, for comparison.



Signatures to Annexures 'A' and 'B'
FOR PARIKH & SHAH.
CHARTERED ACCOUNTANTS.
FIRM REGISTRATION NO. 107625W

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(V.M. PARIKH),
PARTNER.

MUMBAI : 3rd August, 2011

MUMBAI : 3rd August, 2011

DIRECTORS.

IV. Performance of the Company (Amount in Rs. Thousand)

Total Income
(Interest, Dividend, Rent. etc.)
938

Total Expenditure
325

Profit Before Tax
613

Profit After Tax
468

Earning Per Share (In Rs.)
(+)1.95

Dividend
—

V. Generic Names of Three Principal Products/Services of Company
(As per monetary terms)

Item Code No.(ITC Code)
Product Description

NIL
Investments

Item Code No.(ITC Code)
Product Description

NIL
Finance

MUMBAI : 3rd August, 2011


DIRECTORS.

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HEM HOLDING AND TRADING LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
(Submitted in terms of Part IV of Schedule VI to the Companies Act, 1956)

I. Registration Details

Registration No.

26832

State Code

11

Balance Sheet Date : 31-03-2011

II. Capital raised during the year (Amount in Rs. Thousand)

Public Issue

NIL

Rights Issue

NIL

Bonus Issue

NIL

Private Placement

NIL

III. Position of Mobilisation and Deployment of funds (Amount in Rs. Thousand)

Total Liabilities

5176

Total Assets

5176

Sources of Funds :

Paid up Capital

2400

Reserve and Surplus

2776

Secured Loans

NIL

Unsecured Loans

NIL

Application of Funds :

Net Fixed Assets

203

Investments

3772

Net Current Assets

1201

Accumulated Losses

NIL

Miscellaneous Expenditure

NIL

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