

HEM HOLDINGS AND TRADING LIMITED

ANNUAL REPORT
2016-17

MESSAGE FROM THE CHAIRMAN



Dear Shareholders

It gives me great pleasures to present to you your Company's Annual Report for FY 2016-17 . Your Company performed well during 2016-17 with steady growth in its revenues and profitability.

Since independence, the year 2016-17 will be remembered for many significant steps being under taken by the Government of India not taken before which will provide the platform for rapid progress of the economy of our country. Now, our system is moving towards simplicity of dealing with various acts and regulators with transparency and clarity to national as well international concerns and bodies. Now, India has second largest Quality Companies after China in most Emerging Markets.

Demonetization may be remembered for a few years , but GST will be remembered for ever. Millions of un-organized business people will register for GST and start paying taxes for the first time. The second smartest decision by this government has to be accepting Aadhaar as the platform for a new India and will not only make a digital India possible through e-KYC , e-signature and e-payments and it will also put a brake on those who were till now sucking the resources which were actually meant for the government and the poor.

I am pleased to share with you that once again , we have augmented our presence in NBFC business and now the first time our Networth has crossed 200 Lacs in F.Y. 2016-17.

As far as the performance of your Company is concerned it's reported the total income for the financial year 2016-17 of Rs. 95.34 lacs as against Rs. 64.69 lacs during the previous financial year. The profit before tax is Rs. 88.00 lacs and profit after tax is Rs. 87.20 lacs for the year under review against the profit before tax of Rs.52.09 lacs and profit after tax of Rs.51.98 lacs for the previous financial year respectively.

I also express my thanks to all our directors for their invaluable contribution through their guidance and encouragement , which have been critical for the success of the Company , Finally I thank each and every Shareholders , large and small , for your confidence in us.

With your continued support and trust , we look forward to growing your company and contributing to the economic progress that our country is set to achieve.

With Best Wishes

Sangeeta Ketan Shah
(Chairman)

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Ketan M Shah	Chairman
Mrs. Sangeeta K Shah	Director
Mr. Pankaj Sachdeva	Director
Mr. Mehul Nisar	Director

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

Mr. Pankaj Sachdeva	Chairman
Mr. Mehul Nisar	Member
Mrs. Sangeeta K Shah	Member

NOMINATION & REMUNERATION COMMITTEE

Mr. Pankaj Sachdeva	Chairman
Mr. Mehul Nisar	Member
Mrs Sangeeta K Shah	Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Pankaj Sachdeva	Chairman
Mr. Ketan M. Shah	Member
Mrs. Sangeeta K. Shah	Member

COMPANY SECRETARY

Mrs. Varsha Sahbani

CHIEF FINANCIAL OFFICER

Mr. Manoj Kumar Singh

STATUTORY AUDITOR

M/s Agrawal Shukla & Co
Raipur

INTERNAL AUDITORS

Deepankar Samaddar & Associates
Durg

SECRETARIAL AUDITORS

Satish Batra & Associates
Raipur

BANKERS

State Bank of India
Axis Bank Ltd.

REGISTRAR AND TRANSFER AGENT

Link Intime India Pvt. Ltd.
C-101, 247 Park, L.B.S. MARG,
Vikhroli (West), MUMBAI,
(M.H.) – 400083

REGISTERED OFFICE

601/602 A, Fairlink Center,
Off Andheri Link Road, Andher
(West), Mumbai - 400053 (M.H.)

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SUMMARISED FINANCIAL DATA

(Rs. In lakh)

PROFIT & LOSS ACCOUNT	2016-17	2015-16	2014-15	2013-14	2012-13
Revenue from operations	4.145	4.392	4.159	4.305	3.75
Other Income	91.197	60.298	9.84	9.25	9.00
TOTAL INCOME	95.342	64.69	13.999	13.555	12.75
Employee benefits expense	1.00	0.65	0.00	0.00	0.00
Depreciation and amortization expense	0.079	0.083	0.087	0.092	0.096
Other expenses	6.263	11.859	5.264	3.602	2.035
TOTAL EXPENSES	7.342	12.592	5.351	3.694	2.131
PROFIT BEFORE TAX	88.000	52.098	8.648	9.861	10.619
Current Tax expense	0.800	0.110	1.800	2.050	2.100
Net Profit after tax	87.200	51.988	6.848	7.811	8.519
EARNING PER SHARE	36.333	21.662	2.853	3.255	3.550
EXTRACT FROM BALANCE SHEET					
Share Capital	24.00	24.00	24.00	24.00	24.00
Reserve & Surplus	196.09	108.86	56.86	50.11	42.30
Net Fixed Assets	1.49	1.57	1.65	1.74	1.83
Non-Current Investment	210.95	88.93	37.62	37.62	37.62
Cash & Cash Equivalent	10.39	41.36	42.99	36.72	30.91
OTHER FINANCIAL DATA					
TURNOVER (Rs. In Lakhs)	95.34	64.69	13.99	13.55	12.75
BOOK VALUE PER SHARE (Rs.)	91.70	55.09	33.69	30.88	27.63
NETWORTH (Rs. In Lakhs)	220.09	132.21	80.86	74.11	66.30

NOTICE

Notice is hereby given that the 35th Annual General Meeting (AGM) of the shareholders of Hem Holdings And Trading Limited, for the Financial Year Ended 31st March 2017, will be held on Thursday, 28th day of September, 2017 at 3:00 pm, at 601/602A, Fairlink Centre, off Andheri Link Road, Andheri (W), Mumbai-400 053., to transact the following business :-

ORDINARY BUSINESS:

1. To receive, consider and approve the Audited Financial Statement of the Company for the financial year ended 31st March, 2017 together with Reports of Directors and Auditors thereon.
2. To consider appointment of a Director in place of Shri Ketan Moolchand Shah (DIN:00312343) who retires by rotation and being eligible offer himself for re-appointment.
3. To consider and approve appointment of Auditors and to consider and if thought fit to pass with or without modifications ,the following resolution as an Ordinary Resolution:

“**RESOVED THAT** pursuant to Section 139 of the Companies Act, 2013 Act, also includes any re-enactment or modification thereof), any other applicable provisions of the Act and rules made thereunder, Agrawal Shukla & Co. Chartered Accountants (Institute of Chartered Accountants of India , Registration No. 326151E) , be and are hereby re-appointed as Auditors of the Company for the financial year 2017-18 to hold office from the conclusion of this Meeting till the conclusion of the next Annual General Meeting, at such remuneration as may be determined by the Board of Directors”.

RESOVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds and things as it may be deemed necessary in this regard, including

filing of necessary statutory forms with Registrar of Companies, Ministry of Corporate Affairs, as may be required from time to time”.

By Order of the Board of Directors

For, Hem Holdings And Trading Limited

(Varsha Sahbani)
Company Secretary and Compliance officer

Date :11.08.2017
 Place: Bhilai

NOTES:

- a) a member entitled to attend and vote at the 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 should be duly completed, stamped and signed and must be deposited at the registered office of the company not later than 48 hours before the commencement of the annual general meeting. a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. a member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

- b) Corporate Members intending to send their authorised representative(s) to attend the Annual General Meeting (AGM) are requested to send a certified copy of the Board resolution authorising their representative to attend and vote on their behalf at the AGM.
- c) The Register of Members and Share Transfer Books of the Company will be closed from

20th September 2017 to 28th September, 2017 (both days inclusive).

- d) Members holding shares in physical form are requested to immediately notify change in their address, if any, to the Registrar and Share Transfer Agent of the Company, viz., Link Intime India Private Limited, C-101, 247 Park, L.B.S. MARG, Vikhroli (West) , MUMBAI , – 400 083, quoting their Folio Number(s).
- e) Members desiring any information on the Accounts of the Company are requested to write to the Company at least 10 days in advance so as to enable the Company to keep the information ready.
- f) Copies of the Annual Report will not be distributed at the Annual General Meeting; Members are requested to bring their copy of the Annual Report to the Meeting.
- g) The Securities and Exchange Board of India (SEBI) has mandated the submission of copy of PAN card to the Company/Depository Participants as the case may be. Members holding shares in physical form, should submit their PAN details to the Company/RTA.
- h) Electronic copy of the Annual Report for F.Y. 2016-17 along with Notice of the 35th Annual General Meeting of the Company, Attendance Slip and Proxy Form is being sent to all the members whose E-mail IDs are registered with the Company / Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of the Annual Report for F.Y. 2016-17 along with Notice of the 35th Annual General Meeting of the Company, Attendance Slip and Proxy Form is being sent in the permitted mode.
- i) Members may also note that Annual Report for F.Y.2016-17 will also be available on the Company's website www.hemholdings.com for download.
- j) 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 account(s). Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company /Link Intime.
- k) Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
- l) A Route Map for easy location to reach the venue of Annual General Meeting is annexed with the notice of Annual General Meeting.
- m) **Voting through electronic means**
In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 35th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):
- The instructions for shareholders voting electronically are as under:
- (i) The voting period begins on Monday, 25th September 2017 from 9.00 a.m and ends on Wednesday, 27th September 2017 at 5 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21st September 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

The Board of Directors of the Company has appointed Mr. Divanshu Mittal , Divanshu Mittal & Associates , Practicing Company Secretaries, Mumbai as Scrutinizer to scrutinize e-voting process in a fair and

transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.

- (ii) Click on Shareholders
- (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.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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.
- (vii) 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) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).
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After entering these details appropriately, click on “SUBMIT” tab.

- (viii) Members holding shares in physical form will then directly reach 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 <Company Name> on which you choose to vote.
- (xi) On the voting page, you will see “RESOLUTIONDESCRIPTION” 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 Demat account holder has forgotten the same 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) Note for Non – Individual Shareholders and Custodians Non-Individual shareholders (i.e. other than Individuals HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed 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) for 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.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they

have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xviii) 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.
- (xix) The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith
- (xx) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.hemholdings.com and on the website of CDSL www.evotingindia.com immediately after the declaration of results by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited.

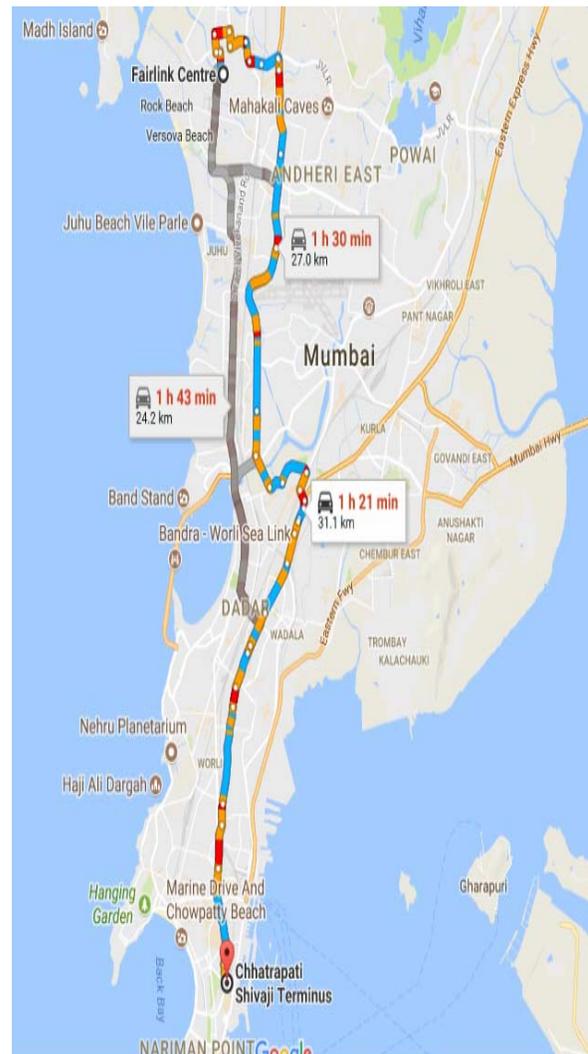
DETAILS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

(Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard -2)

Name of Directors	Mr. Ketan Moolchand Shah
Date of Birth	02/12/1965
Date of first Appointment on the Board	29/01/2011
Qualification	B.E (Mechanical) & MBA
Experience /Expertise in specific functional areas/brief resume of the Director	Mr Ketan M Shah holds a Bachelor of Engineering (Mechanical) degree from the Madhav Institute of Technology and Science, Gwalior (M.P) and a postgraduate degree in business management from the University of Florida, specializing in marketing. He has more than twenty five years of vast experience in Marketing and production functions.
Terms & Conditions of appointment/reappointment	Tenure as a Director is subject to retirement of Directors by rotation in terms of section 152 of the Companies Act, 2013
Details of remuneration sought to be paid and remuneration last drawn	Nil
Disclosure of relationship with other Directors, Manager and Key Managerial Personnel of the Company	Husband of Mrs Sangeeta Ketan Shah (Director)
Number of meetings of the Board of Directors attended during the FY 2016-17	5/5
Other Directorships held	a) Sim Prabha Estates & Trading Co Pvt Ltd (b) Prabha Plantations

	Pvt Ltd (c) SEFW Projects Pvt Ltd (d) Simplex Castings Limited
Shareholding in the Company	51702 Nos (21.54 %)

ROUTE MAP TO THE VENUE OF THE 35TH AGM OF HEM HOLDINGS AND TRADING LIMITED TO BE HELD ON THURSDAY, 28TH SEPTEMBER, 2017



601 /602 A, FAIRLINK CENTRE OFF,
ANDHERI LINK ROAD ANDHERI (W) ,
MUMBAI 400 053

DIRECTORS' REPORT

Dear Members,

Your directors are pleased to present their 35th Annual Report and Accounts of your Company for the year ended on 31st March, 2017.

FINANCIAL RESULTS

	31st March, 2017	31st March, 2016
Total Income	95,34,252.38	64,69,097.85
Total Expenses	7,34,223.12	12,59,199.61
Profit before tax	88,00,029.26	52,09,898.24
Less: Current Tax	80,000.00	11,000.00
Profit after tax	87,20,029.26	51,98,898.24

PERFORMANCE REVIEW & STATE OF THE COMPANY'S AFFAIRS:

The total income for the financial year 2016-17 is Rs. 95.34 lacs as against Rs. 64.69 lacs during the previous financial year. The profit before tax is Rs. 88.00 lacs and profit after tax is Rs. 87.20 lacs for the year under review against the profit before tax of Rs.52.09 lacs and profit after tax of Rs. 51.98 lacs for the previous financial year respectively.

The Company does not have any subsidiary , or associate or joint venture company.

PROSPECTS FOR THE CURRENT YEAR

Your directors are contemplating business plans for entering into the NBFC business on a larger scale and barring any unforeseen circumstances, the results for the current year will be on higher side.

DIVIDEND:

In order to conserve funds of the Company, for future growth, the Board of Directors regrets that no dividend is being recommended for the year under review.

BOARD OF DIRECTORS:

In accordance with the provisions of the Companies Act, Shri Ketan Moolchand 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.

DISCLOSURE OF DIRECTORS' REMUNERATION

As per Section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, no remuneration has been paid to any of the Directors of the Company.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes and commitment occurred since the conclusion of the financial year.

COMPLIANCE WITH RBI GUIDELINES

Your company has adopted "Fair practices Code" and complied and continues to comply with all the applicable regulations, circulars and guidelines issued by the RBI for every NBFC Company from time to time.

PUBLIC DEPOSITS:

The Company did not accept any deposit within the meaning of Section 73 of the Companies Act, 2013 and the Rules made there under. There are no small depositors in the company.

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI.

NUMBER OF MEETINGS OF THE BOARD

The following Meetings of the Board of Directors were held during the Financial Year 2016-17:

Sr. No	Date of Meeting	Board Strength	No. of Directors Present
a)	27.05.2016	04	03
b)	09.08.2016	04	03
c)	11.11.2016	04	03
d)	10.02.2017	04	04
e)	03.03.2017	04	03

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirement under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed:-

- a. In the preparation of the annual accounts for the year ended 31st March, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2017 and of the profit and loss of the company for that period;
- c. The directors had 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. The directors had prepared the annual accounts on a going concern basis;
- e. 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; and
- f. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CONSERVATION OF ENERGY, TECHNOLOGY & FOREIGN EXCHANGE:

The Company is not a manufacturing Company and as such no provisions of Conservation of Energy, Technology Absorption under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are attracted.

It is further stated that there was no inflow and outgo of foreign exchange.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Your Company did not enter into any contracts or arrangements during the financial year with related parties which is required to be reported in Form AOC-2.

RISK MANAGEMENT POLICY

The Company constantly manages monitors and reports on the principal risk and uncertainties that can have an impact on the Company. Your directors keep a close watch on the risk prone areas and take actions from time to time.

The Company does not have any insurable assets. However, the policy of the Company is to keep insured all insurable assets to keep them adequately insured against risks and uncertainties like fire, riot, earthquake, terrorism, loss of profit, etc.

INTERNAL FINANCIAL CONTROL

The Company has an adequate Internal Control System, commensurate with its size, scale and operations. The Internal Audit Department

monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company.

During the year no reportable material weakness in the design or operation were observed.

AUDITORS:

M/s Agrawal Shukla & Co., 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 2017-18. Under Section 139(2) of the Companies Act, 2013, they have furnished the certificate of their eligibility for re-appointment.

There are no qualifying remarks by the auditors in their report. The notes to the accounts are self explanatory and do not require any further explanations.

SECRETARIAL AUDITOR AND THEIR REPORT

The Secretarial Audit Report for the financial year ended 31st March, 2017 is annexed herewith as **Annexure-I** to this Report.

FRAUDS REPORTED BY AUDITORS

The Statutory Auditors or Secretarial Auditor of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under section 143(12) of the Companies Act, 2013, including rules made thereunder.

COMMITTEES

Audit Committee

The Company has duly constituted an Audit Committee under the chairmanship of Shri Pankaj Sachdeva, an Independent Director of the Company with Shri Mehul Nisar and Smt. Sangeeta K. Shah as members.

Nomination and Remuneration Committee

The Company has duly constituted a Nomination and Remuneration Committee under the chairmanship of Shri Pankaj Sachdeva a Director of the Company with Mrs Sangeeta K

Shah and Shri Mehul Nisar as members. Company has developed a Nomination and Remuneration policy **Annexure-II** which form the part of the Report.

Stakeholders Relationship Committee

The Company has duly constituted a Stakeholders Relationship Committee under the chairmanship of Shri Pankaj Sachdeva, an Independent Director with Shri Ketan M. Shah and Smt. Sangeeta K. Shah as members.

EXTRACT OF ANNUAL RETURN

Extract of Annual return of the Company is annexed herewith as an **Annexure-III** to this report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in Note Nos. 7 & 8 to the Financial Statements.

PARTICULARS OF EMPLOYEES

There was no employee receiving remuneration attracting provisions of section 134(3)(q) of the Companies Act, 2013 read with Rule 5(2) & (3) of rules The Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

DECLARATION OF INDEPENDENCE

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of the Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as Regulation 16(1) (b) of Listing Regulations (including any statutory modification(s) or reenactment(s) for the time being in force).

PERFORMANCE EVALUATION OF THE BOARD ,ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Companies Act ,2013 read with rules issued thereunder and the Listing Regulations(including any statutory modifications or re-enactment (s) for the time being in force), the process for evaluation of the annual performance of the Director

/Board/Committees was carried out. The overall outcome was positive.

VIGIL MECHANISM

As per Section 177 (9) & (10) of the Companies Act, 2013 and Clause 49 of the Listing agreements with the Stock Exchanges Company has established a Vigil Mechanism for Directors and employees to report genuine concerns.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Indian economy was doing well till third quarter of the year but due to demonetization the economic growth slowed to 6% in the fiscal fourth quarter from 7 % in the third.

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.

Marketing

The Company is making all efforts to revamp its marketing in new areas and hopes for good results in the current year.

SWOT

Our strength is our determination, weakness is low capital base, opportunities are multiples and threats are practically none.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:-

(a) The Company is not covered under Section 135(2) of the Companies Act, 2013 and as such no disclosure regarding Corporate Social Responsibility is required under the said section or applicable rules.

(b) Issue of equity shares with differential rights as to dividend, voting or otherwise.

(c) Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.

(d) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation of the assistance and co-operation extended of the Company by banks, employees, members and all other persons.

For and on behalf of the Board of Directors

(Ketan Moolchand Shah) (Sangeeta Ketan Shah)

DIRECTOR
DIN: 00312343

DIRECTOR
DIN: 05322039

Place : Bhilai
Date : 11.08.2017

Annexure-I

FORM NO- MR-3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED
31st March, 2017**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members
Hem Holdings and Trading Limited
601/602A, Fairlink Center,
Off Andheri Link Road
Andheri (W), Mumbai(M.H)-53

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HEM HOLDINGS & TRADING LIMITED**, (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Hem Holdings & Trading Limited for the financial year ended on 31st March, 2017 according to the provisions of:

- i. The Companies Act, 1956 as well as the Companies act, 2013 and the rules made there under ;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- 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, as amended from time to time;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, as amended from time to time;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

We have also examined compliance with the applicable provisions of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India;
- b) The Listing Agreements entered into by the Company with Bomday Stock Exchange;
- c) Securities and Exchange Board of India (Listing Obligation and Disclosure requirements) Regulations, 2015;
- d) The Apprentices Act, 1961;
- e) The Income Tax Act, 1961;
- f) The Negotiable Instruments Act, 1881;
- g) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

We further report that the Board of Directors of the Company is duly constituted with

proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice has been given to all directors to schedule the Board Meeting, 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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meeting of the Board of Directors or Committee of the Board, as the case may be.

We have relied on the representation made by the Company and its officers for systems and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company.

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 as mentioned above.

We further report that during the audit report there were no specific events / actions having a major bearing on the affairs of the Company

For, Satish Batra & Associates,

(Satish Batra)

Company Secretaries,

FCS: 1316

C P No. : 2875

PLACE; Raipur (C.G.)

DATED; 1ST MAY, 2017

Annexure-II

NOMINATION AND REMUNERATION POLICY

The Company continues to consider human resources as its invaluable assets. This policy on nomination and remuneration of directors, Key Managerial Personnel (KMPs) and other employees has been formulated in terms of the provisions of the Companies Act, 2013 and the

Listing Agreement to pay equitable remuneration to the directors, KMPs and employees of the Company.

OBJECTIVE AND PURPOSE OF THE POLICY

The objectives and purpose of this policy are: To take into account the performance of the Company, its financial strength and volume of operations to ensure that its recommendations or implement able from time to time. The NRC shall also take into account the industry scenario and competitive elements with regard to its recommendations so that the company maintains the industry levels. To formulate the criteria for determining qualifications, competencies, and independence for the appointment of a director (executive / non-executive) and recommend to the Board policies relating to the remuneration of the directors, KMPs and other employees. To address the following items : committee member qualifications; committee member appointment and removal; committee structure and operations; and committee reporting to the Board;

1. To formulate the criteria for evaluation of performance of all the directors on the Board;
2. The NRC shall endeavor to maintain a proper balance between key managerial personnel, senior personnel and other level of employees so that there is a peace and harmony in industrial relations.

Due to inadequate profit earning, Committee has recommended that no remuneration be paid to directors, Key Managerial Personnel (KMPs) except sitting fees until the Company earns the adequate profits.

POLICY REVIEW

In case there is any change in the Act or SEBI (LODR) Regulations, 2015 or any other regulation, the provisions of the Act and Regulations shall prevail over this policy and the provisions of the policy shall stand amended suitably to make it consistent with the changed provisions and regulation, if any under the law. Any change or modification in the policy as recommended by the Committee.

Annexure-II

EXTRACT OF ANNUAL RETURN (Form No. MGT-9)									
as on the financial year ended on 31.03.2017									
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]									
I. REGISTRATION AND OTHER DETAILS:									
i)	CIN:			L65990MH1982PLC026823					
ii)	Registration Date			01/04/1982					
iii)	Name of the Company			HEM HOLDINGS AND TRADING LIMITED					
iv)	Category / Sub-Category of the Company			Company Limited By Shares INDIAN NON-GOVERNMENT COMPANY					
v)	Address of the Registered office and contact details			601/602A, FAIRLINK CENTRE, OFF ANDHERI LINK ROAD, ANDHERI (W), MUMBAI, MAHARASHTRA - 400053					
vi)	Whether listed company Yes / No			YES					
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any			LINK INTIME INDIA PRIVATE LIMITED C101, 1ST FLOOR, 247 PARK, LAL BHADUR SHASTRI MARG, VIKHROLI (WEST), MUMBAI CITY, MUMBAI - 400083					
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:									
SR. NO.	Name and Description of main products / services			NIC Code of the Product/ service			% to total turnover of the company		
1	RENTAL INCOME			-			10.45%		
2	DIVIDEND & INTEREST			-			4.35%		
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -									
Sl. No.	NAME AND ADDRESS OF THE COMPANY		CIN/GLN		HOLDING/ SUBSIDIARY/		% of shares held		Applicable Section
NIL									
4. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)									
i) CATEGORY WISE SHAREHOLDING									
CATEGORY OF SHAREHOLDERS	NO. OF SHARES AT THE BEGINNING OF THE YEAR				NO. OF SHARES AT THE END OF THE YEAR				% CHANGE DURING THE YEAR
	DEMAIT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAIT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
A. Promotors									
(1) Indian									

(a) Individual/ HUF	0	75,652	75,652	31.52%	87,502	-	87,502	36.46%	4.94 %
(b) Central Govt	0	-	-	0.00%	-	-	-	0.00%	0.00 %
(c) State Govt.	0	-	-	0.00%	-	-	-	0.00%	0.00 %
(d) Body Corporate	0	23,043	23,043	9.60%	23,043	-	23,043	9.60%	0.00 %
(e) Banks/ FI	0	-	-	0.00%	-	-	-	0.00%	0.00 %
(f) Any other	0	-	-	0.00%	-	-	-	0.00%	0.00 %
Subtotal (A) (1) :	0	98,695	98,695	41.12%	110,545	-	110,545	46.06%	4.94 %
(2) Foreign									
(a) NRI Individual	0	-	-	0.00%	0	-	-	0.00%	0.00 %
(b) Other Individual	0	-	-	0.00%	0	-	-	0.00%	0.00 %
(c) Body Corporate	0	-	-	0.00%	0	-	-	0.00%	0.00 %
(d) Banks/ FI	0	-	-	0.00%	0	-	-	0.00%	0.00 %
(e) Any other	0	-	-	0.00%	0	-	-	0.00%	0.00 %
Subtotal (A) (2) :	0	-	-	0.00%	0	-	-	0.00%	0.00 %
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	0	98,695	98,695	41.12%	110545	-	110,545	46.06%	4.94 %
B. Public Shareholding									
(1) Institutions									
(a) Mutual Fund	0	-	-	0.00%	0	-	-	0.00%	0.00 %
(b) Banks/ FI	0	-	-	0.00%	0	-	-	0.00%	0.00 %
(c) Central Govt	0	-	-	0.00%	0	-	-	0.00%	0.00 %
(d) State Govt (s)	0	-	-	0.00%	0	-	-	0.00%	0.00 %
(e) Venture Capital Fund	0	-	-	0.00%	0	-	-	0.00%	0.00 %
(f) Insurance Companies	0	-	-	0.00%	0	-	-	0.00%	0.00 %
(g) FII	0	-	-	0.00%	0	-	-	0.00%	0.00 %
(h) Foreign Venture Capital	0	-	-	0.00%	0	-	-	0.00%	0.00 %
(i) Funds other	0	-	-	0.00%	0	-	-	0.00%	0.00 %

(Specify)									%
Subtotal (B) (1) :	0	-	-	0.00%	0	-	-	0.00%	0.00%
(2) Non-Institutions									
(a) Body Corporate									
i) Indian	0	-	-	0%	0	-	-	0%	0.00%
ii) Overseas	0	-	-	0%	0	-	-	0%	0.00%
(b) Individuals									
i) holding nominal shares capital upto 1 lakh	0	141,305	141,305	59%	60853	68,602	129,455	54%	- 4.94%
ii) holding nominal shares capital in excess of 1 lakh	0	-	-	-	-	-	-	-	-
(c) HUF	0	-	-	0%	0	-	-	0%	0.00%
Subtotal (B) (2)	0	141,305	141,305	59%	60853	68,602	129,455	54%	- 4.94%
Total Public Shareholding (B) = (B)(1)+(B)(2)	0	141,305	141,305	59%	60853	68,602	129,455	54%	- 4.94%
C. Shares held by Custodian for GDRs & ADRs	0	-	-	0%	0	-	-	0%	0.00%
Grand Total (A+B+C)	0	240,000	240,000	100%	171398	68,602	240,000	100%	0.00%

(ii). SHAREHOLDING OF PROMOTERS								
S R. N O	SHAREHOLDER'S 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	KETAN M. SHAH	51,702	21.54%	-	51,702	21.54%	-	0.0%
2	PRABHA PLANTATIONS PVT. LTD	21,443	8.93%	-	21,443	8.93%	-	0.0%
3	SIM PRABHA ESTATES & TRADING CO PVT. LTD.	1,600	0.67%	-	1,600	0.67%	-	0.0%

4	SANGEETA K SHAH	23,950	9.98%		35,800	14.92%		4.9%
	TOTAL PROMOTER SHAREHOLDING	98,695	41.12%	-	110,545	46.06%	-	4.9%

(iii). CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE)					
PARTICULARS	SHAREHOLDING AT THE BEGINNING OF THE YEAR		CUMULATIVE SHAREHOLDING DURING THE YEAR		Date
	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	
KETAN M SHAH	51,702	21.54%	51,702	21.54%	No Change
SANGEETA K SHAH	23,950	9.98%	35,800	14.92%	03.03.2017/Purchase
PRABHA PLANTATIONS PVT. LTD	21,443	8.93%	21,443	8.93%	No Change
SIM PRABHA ESTATES & TRADING CO PVT. LTD.	1,600	0.67%	1,600	0.67%	No Change

(iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDER OF GDRS & ADRS):					
SI No	PARTICULARS	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
01.	CHANDRI NAVEEN SHAH	5000	2.08%	5000	2.08%
02.	LILA MAHENDRA SHAH	4500	1.87%	4500	1.87%
03.	JITENDRA KUMAR SINGH	2300	0.958%	2300	0.958%
04.	UJJVAL ROBIN DUTTA	2300	0.958%	2300	0.958%
05.	UTPAL DUTTA	2300	0.958%	2300	0.958%
06.	TUKARAM SAHU	2300	0.958%	-	-
07.	SHANKAR TARAFDAR	2300	0.958%	2300	0.958%
08.	ASRAF ALI	2300	0.958%	2300	0.958%
09.	RANJEET SINGH	2250	0.937%	2250	0.937%
10	SHANKAR HARAN TRIPATHI	2250	0.937%	-	-

11.	PRADEEP KUMAR DHURVE	2200	0916 %	2200	0.916%
12.	SAJAL KUMAR GHOSH	2200	0.916%	2200	0.916%

(v). SHAREHOLDING PATTERN OF DIRECTORS AND KEY MANAGERIAL PERSONNEL				
PARTICULARS	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
KETAN M. SHAH	51,702	21.54%	51,702	21.54%
SANGEETA K. SHAH	23,950	9.98%	35,800	14.92%

V. INDEBTEDNESS					
INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT					
PARTICULARS	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness	
Indebtedness at the beginning of the financial year	NIL				
i) Principal Amount					
ii) Interest due but not paid					
iii) Interest accrued but not					
Total(i+ii+iii)					
Change in Indebtedness during the financial year					
- Addition					
- Reduction					
Net Change					
Indebtedness at the end of the financial year					
i) Principal Amount					
ii) Interest accrued but not due					
ii) Interest due but not paid					
Total (i+ii+iii)					

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:
No remuneration has been paid
B. REMUNERATION TO OTHER DIRECTORS:
No remuneration has been paid
C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

No remuneration has been paid
VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES
During the year, there were no penalties/ punishment/ compounding of offence under Companies Act, 2013

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY

Corporate governance is an integral part of the way your Company does business. Hem Holdings and Trading Limited continues to believe that a good Corporate Governance is essential to achieve long-term corporate goals and to enhance stockholders' value.

Disclosures to be made under the new SEBI (LODR) REGULATIONS, 2015 with stock exchanges in India has set the benchmark compliance rules for a listed company and the baseline for governance standards.

We are a listed company on the Bombay Stock Exchange, Mumbai and has a governance process and practices to achieve transparency and to ensure high ethical standards as well as responsible management.

We also believe that Corporate Governance is a continuously improving process and are always striving towards achieving the highest standards possible.

A report on compliance with the principles of Corporate Governance as prescribed by SEBI in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") is given below:

BOARD OF DIRECTORS

Directors' Attendance Record and their other Directorships/ Committee Memberships

As mandated by Regulation 26 of the Listing Regulations, none of the Directors is a member of more than ten Board level Committees (considering only Audit Committee and Stakeholders' Relationship Committee) or Chairman of more than five Committees across all public limited companies (listed or unlisted) in which he/she is a Director. Further all Directors have informed about their Directorships, Committee Memberships/ Chairmanships including any changes in their positions. Relevant details of the Board of Directors as on 31st March, 2017 are given below:

Sl. No	Name of the Director	Attendance at meeting during 2016-17		No of other Directorship(s) as on 31-03-2017 *	No. of other Board Committees member/ Chairman
		Board Meeting	AGM		
1.	Mr. Ketan M Shah**	5/5	Yes	4	0
2.	Mrs. Sangeeta K Shah**	5/5	Yes	4	1
3.	Mr Pankaj Sachdeva	5/5	Yes	1	0
4.	Mr. Mehul Nisar	1/5	No	5	0

Composition of the Board

The Board is broad-based and consists of eminent individuals from Industrial, Managerial, Technical, Financial and Marketing background. The composition and strength of the Board is reviewed from time to time for ensuring that it remains aligned with statutory as well as business requirements.

The Company has a judicious Combination of Executive and Non- Executive Directors. As on 31st March , 2017, the Board comprised of 4 Directors out of which one is Executive Directors and three are Independent and Non Executive Directors. The Board Composition is in conformity with the Listing Regulations and the Companies Act, 2013 ('the Act').

NUMBER OF MEETINGS OF THE BOARD

The following Meetings of the Board of Directors were held during the Financial Year 2016-17:

Sr. No	Date of Meeting	Board Strength	No. of Directors Present
a)	27.05.2016	04	03
b)	09.08.2016	04	03
c)	11.11.2016	04	03
d)	10.02.2017	04	04
e)	03.03.2017	04	03

* The Directorships, held by directors as mentioned above , include directorship in private Company also.

** Mr Ketan Moolchand Shah, Mrs Sangeeta Ketan Shah are related to each other.

Every Director currently on the Board of the Company has personally attended at least one Board / Committee of Directors' Meeting in the financial year 2016-17.

Board Independence

The Independent Directors fulfill the conditions of independence specified in Section 149 of the Companies Act, 2013 and Regulation 16(b) of the Listing Regulations. The Independent Directors have confirmed that they do not hold directorship more than the prescribed limit in the Listing Regulations.

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, the Board has carried out the annual evaluation of its own performance, its Committees and Directors individually. The Directors expressed their satisfaction with the evaluation process.

Separate Meeting of the Independent Directors

During the year under review, the Independent Directors met on 3rd March, 2017, without the attendance of Non-Independent Directors and members of the management, *inter alia*, to discuss on the following :

- To review the performance of the Non-Independent Directors and the Board as whole;
- Review the performance of the Chairperson of your Company, taking into account views of Executive/Non Executive Directors ; and
- Assess the quality, quantity and timeliness of flow of information between your Company's management and the Board that was necessary for the Board to effectively and reasonably perform their duties.

Shareholding of Non Executive/ Independent Directors

No Independent Director holds any shares in the Company. Further the Company has not issued any convertible securities hence disclosure in this respect is not applicable.

Familiarization Programme

During the year, the familiarization programme was held for the Directors.

Hem Holdings and Trading Limited

COMMITTEES OF THE BOARD

The Board Committees are formed with approval of the Board and function under their respective Charters. These Committees play an important role in the overall management of day to-day affairs and governance of the Company.

AUDIT COMMITTEE

The composition of the Audit Committee is in alignment with provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The members of the Audit Committee are financially literate and majority of them having accounting or related financial management experience. The Executive Chairman, Finance Director and Statutory Auditor are permanent invitees to attend the meeting. Ms. Varsha Sahbani , Company Secretary acts as Secretary to the Committee.

During the Financial Year 2016-17, the Audit Committee met four times on 27.05.2016 ,09.08.2016 ,11.11.2016 and 10.02.2017.

The Composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the financial year ended 31st March, 2017 is detailed below:

Name of the Member(s)	Category	No of Meeting attended
Mr Pankaj Sachdeva	Independent Director	4/4
Mr Mehul Nisar	Independent Director	4/4
Mrs Sangeeta K Shah	Non-Executive Director	4/4

The Chairman of the Audit Committee was present at the Last Annual General Meeting held on 27th September, 2016.

NOMINATION AND REMUNERATION COMMITTEE

The role of the Nomination and Remuneration Committee is governed by its Charter and its composition is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

One meeting was held during the year on 22.04.2016. The composition of the Nomination and Remuneration Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2016-17 is detailed below:

Name of the Member(s)	Category	Attendance
Mr. Pankaj Sachdeva	Independent Director	1/1
Mr Mehul Nisar	Independent Director	1/1
Mrs.Sangeeta Ketan Shah	Non-Executive Director	1/1

Mrs Varsha Sahbani, Company Secretary acts as Secretary to the Committee.

The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting held on 27th September, 2016.

Policy on Director's appointment and remuneration

The policy on Nomination and Remuneration of Directors is also attached with Directors Report. Due to inadequate profit, the Directors hasn't drawn any remuneration for the FY 2016-17.

Details of sitting fees paid to Directors for the Financial Year ended 31st March ,2017:

Name of Director	Sitting Fees
Mrs Sangeeta K Shah	Rs 4000
Mr Ketan M Shah	Rs 4000
Mr Pankaj Sachdeva	Rs 4000
Mr Mehul Nisar	Rs 1000
Total	Rs 13,000

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The composition of the Stakeholders' Relationship Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

The meeting of the Committee has not been held during the financial year 2016-17.

As on 31st March ,2017, the Stakeholders' Relationship Committee consists of the following members:

Name of the Member	Status	Category
Mr Pankaj Sachdeva	Chairman	Independent Director
Mr Ketan M Shah	Member	Executive Director
Mrs Sangeeta Ketan Shah	Member	Non-Executive Director

The committee focuses primarily on monitoring expeditious redressal of investors/ stakeholders grievances and also function in an efficient manner that all issues / concerns stakeholders are addressed/ resolved promptly.

The Secretarial Department of the Company and the Registrar and Share Transfer Agent, Link Intime India Private Limited attend to all grievances of the shareholders received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc.

Investor Grievance redressal

No of Complaints received	0
Resolved	0
Pending	0

The above table includes Complaints received from SEBI SCORES by the Company.

GENERAL BODY MEETINGS

From last two years AGM were held at registered office of the Company .In financial year 2013-14, the AGM was held at Plot No. 247, 1st Floor, Amrut Towers, Telang Road, Matunga(E), Mumbai-400019.

The date and time of Annual General Meetings held during last three years are as follows:

AGM	Year ended 31 st March	Date	Time
32 nd	2014	27/09/2014	11.00am
33 rd	2015	28/09/2015	03.00pm.
34 th	2016	27/09/2016	03.00pm.

Extraordinary General Meeting (EGM)

No Extraordinary General Meeting held during the year.

Details of Resolution passed through postal ballot, the persons who conducted the postal ballot exercise and details of the voting pattern

During the year under review, no resolution has been passed through the exercise of postal ballot.

MEANS OF COMMUNICATION

Quarterly, half yearly and annual financial results of the Company were published in leading English and vernacular Language newspaper viz, Free Press Journal and Navshakti.

DISCLOSURE

Related Party Transactions

All transaction entered into by the Company with related parties, during the financial year 2016-17, were in ordinary course of business and on arm's length basis. The details of the Related Party Transactions are set out in the Notes to Financial statements forming part of this Annual Report.

Also, the Related Party Transactions undertaken by the Company were in compliance with the provisions set out in the Companies Act, 2013 read with the rules issued thereunder and regulation 23 of the Listing Regulations.

During the period under view, the Company had not entered into any material transaction with any of its related parties. None of the transaction with any of related parties were in conflict with the Company's interest.

Details of non compliance by the Company

The company has complied with all the requirements of the Stock Exchange (s) and the SEBI on matters related to Capital markets. There were no penalties imposed or strictures passed against the Company by the statutory authorities in this regard.

Disclosure on compliance with Corporate Governance Requirements specified in Listing Regulations

The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27, Clause (b) to (i) of Sub-Regulation (2) of Regulation 46 and Part C of sub-paras (2) to (10) of Schedule V of the Listing Regulations and necessary disclosures thereof have been made in this Corporate Governance Report.

Vigil Mechanism

The Company has adopted a Vigil Mechanism system to provide a formal mechanism to its Directors and Employees to voice concerns in a responsible and effective manner regarding suspected unethical matters involving serious malpractice, abuse or wrongdoing within the organization and also safeguards against victimization of Directors and Employees who avail of the mechanism.

It is affirmed that no person has been denied access to the audit committee in this respect. The Directors and senior management are to maintain confidentiality of such reporting and ensure that the vigil mechanism are not subjected to any discriminatory practice.

Code of Conduct on prohibition of Insider Trading

In accordance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted the Code of Conduct to Regulate, Monitor and Report Trading by Insiders. The Code has been made applicable to cover Directors, Senior Management Personnel, persons forming part of Promoter(s)/ Promoter group(s) and such other designated employees of the Company, who are expected to have access to unpublished price sensitive information relating to the Company ("Designated Persons").

Compliance

In accordance with the provisions of Regulation 26(6) of the Listing Regulations, the Key Managerial Personnel, Director(s) and Promoter(s) of the Company have affirmed that they have not entered into any agreement for themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

Compliance with Mandatory and Non-Mandatory Requirements

Mandatory

The Company has complied with all mandatory requirements of the Listing Regulations relating to Corporate Governance.

Non-mandatory

i) Shareholder rights :

Quarterly financial results were published in one English newspaper and in one Marathi newspaper. These were not sent individually to the shareholders.

ii) **Audit Qualifications :**

The auditors' report does not contain any qualification.

iii) Separate post of Chairman and CEO :

The Company has different post.

iv) **Reporting of Internal Auditor :**

The Internal Audit report has been sent to Members of Audit Committee as part of the Agenda of the Meeting on Quarterly Basis.

Material Subsidiary Policy

The Company has no subsidiary and hence there is no need to frame any policy for determining "material" subsidiary.

Disclosure of Commodity Price risks and Commodity hedging activities

The Company does not indulge in any commodity hedging activities.

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 in accordance with the requirement under Regulation 17 of the Listing Regulations. The Code of Conduct has been posted on the website of your Company. All the Board members and senior Management Personnel have affirmed their compliance with the said code of conduct for the financial year 2016-17. The declaration to this effect signed by Mr Ketan M Shah, Director of the Company forms part of the Report.

CEO/ CFO Certification

The CEO and CFO certification on the financial statements and the cash flow statement for the year provided to the Board is placed at the end of the report.

Certificate on Corporate Governance:

The Company has obtained a certificate from M/s Agrawal Shukla & Co Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated in the Listing regulation This is annexed to this Report. The certificate will be sent to the Stock Exchanges along with the Annual Report to be filed by the Company.

GENERAL SHAREHOLDER'S INFORMATION

35th Annual General Meeting	
Date	28.09.2017
Time	3.00 P.M
Venue	601/602A, Fairlink Center, Andheri (W), Mumbai
Financial Calendar	
Financial year	1 st April 2017 to 31 st March 2018
Tentative Schedule for declaration of results during the Financial Year 2017-18	
Unaudited First Quarter Results	August 2017
Unaudited second Quarter Results	November 2017
Unaudited Third Quarter Results	February 2018
Audited Fourth Quarterly Results	May 2018
Date of Book Closure	20th September ,2017 to 28th September, 2017 (both days inclusive)
Dividend Payment Date	NA
Listing	Bombay Stock Exchange
Security Code	505520
Trading Symbol	ZHEMHold
ISIN Number	INE721U01011
CIN	L65990MH1982PLC026823

Payment of Listing Fees

Your Company has paid the Listing Fees to BSE and the Custodian charges to National Securities Depository Limited (NSDL) and Central Depository Services(India) Limited (CDSL) for the Financial Year 2016-17.

Share Transfer System

Applications for transfer of shares held in physical form will be sent to the Company's Registrar & Share Transfer Agent. All valid applications are

processed within 30 Days from the Date of receipt and after being registered in the name of the transferee, the share certificates have been dispatched to the shareholders.

Particulars	No of Shares	% of Shares
Physical	68,602	28.58
Demat	1,71,398	71.42
Total	2,40,000	100.00

Outstanding GDRs/ADRs

Not Applicable as the Company has not issued any GDRs/ADRs or any convertible instruments so far.

Dematerialization of Shares

71.42% of our equity shares representing 1,71,398 equity shares have been dematerialized as on 31st March, 2017.

Shareholders who continue to hold shares in physical form are requested to dematerialize their shares at the earliest and avail of the various benefits of dealing in securities in electronic/dematerialized form. For any clarification, assistance or information, please contact M/s Link Intime India Pvt Ltd, Registrar and Transfer Agent

Distribution of Shareholding as on 31.03.2017

Slab	Total No. of Shareholders	(%)	Number of shares	% of Total Share Capital
1 - 500	121	71.18	42952	17.90
501 - 1000	10	5.88	7950	3.31
1001- 2000	16	9.41	31050	12.94
2001- 3000	18	10.59	39603	16.50
4001- 5000	2	1.18	9500	3.96
10001- above	3	1.76	108945	45.39
Total	170	100.00	2,40,000	100.00

Shareholding Pattern as on 31.03.2017:

Sr. No	Category	No of Shares	% Shareholding
1	Promoter & Promoter group:		
(I)	Individual / HUF	87502	36.46%
(II)	Bodies Corporate	23043	9.30%
	Total:	110545	46.06%
2	Public Shareholding:		
(a)	Individual shareholders holding nominal share capital upto Rs 2 Lakh	141305	53.94%
	Total	240000	100.00

Address for Correspondence :

Registrar and Share Transfer Agents: Link Intime India Private Limited C 101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai, Maharashtra 400083 PH No: 022 2594 6970 E-mail Id: rnt.helpdesk@linkintime.co.in	Registered office : Hem Holdings and Trading Limited 601/602A, Fair Link Centre, Off Andheri Link Road, Andheri (W), Mumbai – 400 053 Tel. No: +91-22-40034768 Fax. No: +91-22-40034768 Email Id: compliance@hemholdings.com	Compliance Officer: Mrs Varsha Sahbani 601/602A, Fair Link Centre, Off Andheri Link Road, Andheri (W), Mumbai – 400 053 Tel. No: +91-22-40034768 Fax. No: +91-22-40034768 Email Id: compliance@hemholdings.com
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Declaration of Compliance with the Code of Conduct

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended 31st March, 2017.

Date: 11.08.2017

Ketan M. Shah
Director

Place: Bhilai

Certification by Chief Executive Officer (CEO) & Chief Financial Officer (CFO)

We the undersigned, in our respective capacities as Director and Chief Financial Officer of Hem Holdings and Trading Limited (“the Company”) to the best of our knowledge and belief certify that:

a. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2017 and that to the best of our knowledge and belief, we state that:

- 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. We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company’s code of conduct.

c. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the Auditors and the Audit Committee:

- i. significant changes, if any, in internal control over financial reporting during the year;

Hem Holdings and Trading Limited

ii. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

iii. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company’s internal control system over financial reporting.

(Ketan M. Shah)
Director

Date: 11.08.2017

(Manoj Kumar Singh)
Chief Financial Officer

Place: Bhilai

AUDITORS’ CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of Hem Holdings and Trading Ltd

We have examined the Compliance of conditions of Corporate Governance by Hem Holdings and Trading Limited , for the year ended 31st March , 2017, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 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 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 abovementioned regulations.

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.

For, Agrawal Shukla & co.
Chartered Accountants

(Pankaj Jain)
Partner

Place: Raipur

Dated: 27/05/2017

M.No.40791
Firm Reg. no.326151E

AGRAWAL SHUKLA & CO.

CHARTERED ACCOUNTANTS

Head Office :-

129, MAHALAXMI CLOTH MARKET

PANDRI, RAIPUR (CG)

PH. NO.4038192 MOB. 9826733366

Email : capankaj_jain@rediffmail.com

Pankaj Agrawal, B.Com FCA

Pankaj Jain, M.Com., FCA

INDEPENDENT AUDITORS' REPORT

To

The Members of

HEM HOLDINGS AND TRADING LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **HEM HOLDINGS AND TRADING LIMITED**. ("the Company"), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of 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 ("the Rules"). 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.

Auditors' Responsibility

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

We have taken into account 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. Those Standards 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 disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over

financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of 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 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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- (b) In the case of the Statement of Profit and Loss, 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of Sub-section (11) of section 143 of the Companies Act, 2013 we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a. 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.
 - b. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement comply with the Accounting Standards referred to in Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from all the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164(2) of the Companies Act, 2013.
 - 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. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014
 - i. The Company does not have any pending litigations which would impact its financial position

- ii. The Company did not have any long-term contracts including derivative contracts; the question of commenting on any material foreseeable losses thereon does not arise
- iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise
- iv. The company did not have any holdings or dealings in specified bank notes during the period from 8th November, 2016 to 31st December, 2016.

**FOR, AGRAWAL SHUKLA & CO.
CHARTERED ACCOUNTANTS**



A handwritten signature in black ink, appearing to be "Pankaj Jain".

**(PANKAJ JAIN)
PARTNER
M.NO.407917**

Firm Reg. No.326151E

**PLACE: RAIPUR
DATED: 27/05/2017**

AGRAWAL SHUKLA & CO.

CHARTERED ACCOUNTANTS

Head Office :-

**129, MAHALAXMI CLOTH MARKET
PANDRI, RAIPUR (CG)
PH. NO.4038192 MOB. 9826733366
Email : capankaj_jain@rediffmail.com**

**Pankaj Agrawal, B.Com FCA
Pankaj Jain, M.Com., FCA**

ANNEXURE A TO THE AUDITORS REPORT

The annexure referred to in Independent Auditors' report to the members of the Company on the Standalone financial statements for the year ended 31st March, 2017, we report that:

- i)
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) The Company has a program for the physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the company and nature of its assets. No significant discrepancies were noticed on such verification.
 - c) We have inspected the original deeds of the immovable properties of the company held as fixed assets which are in the custody of the Company. Based on our audit procedures and the information and explanation received by us, we report that all title deeds of immovable properties of the company held as fixed assets are held in the name of the Company. However, we express no opinion on the validity of the title of the Company to these properties.
- ii) The paragraphs relating to inventory are not applicable since the Company is not maintaining any inventories.
- iii) The Company has not granted any loans or advances in the nature of Loans to parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, the question of reporting whether the terms and conditions of such loans are prejudicial to the interest of the Company, whether reasonable steps for recovery of overdue of such loans are taken does not arise.
- iv) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 and therefore no comments thereon.
- v) The Company has not accepted any deposits from public.
- vi) According to the information and explanations provided by the management, the Company is not engaged in production of any such goods or provision of any such services for which Central Govt. has prescribed particulars relating to utilization of material or labour or other items of cost. Hence, the provisions of section 148(1) of the Act do not apply to the Company. Hence, in our opinion, no comment on maintenance of cost records under section 148(1) of the Act is required.

- vii) 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 income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess, Provident Fund and other material statutory dues applicable to it have been regularly deposited during the year by the Company with the appropriate authorities. As informed to us, the Employees State Insurance Act, Investor Education & Protection Fund Act are not applicable to the Company and hence they do not have any dues on these account.
- b) As informed to us Provident fund, State Insurance, Sales Tax (VAT), Service Tax, Custom Duty, Excise Duty and cess are not applicable to the Company.
- viii) According to the records of the Company, the Company has not borrowed from financial institutions or banks or government issued debentures till 31st March, 2017. Hence, in our opinion, the question of reporting on defaults in repayment of loans or borrowing to a financial institutions, bank, government or dues to debenture holders does not arise.
- ix) The Company did not raise any money by way of initial public offer of further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the order is not applicable.
- x) 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, we have neither come across any instance of fraud on or by the Company, noticed and reported during the year, nor have we been informed of such case by the Management.
- xi) According to the records of the Company, the Company has not paid or provided for Managerial remuneration for the financial year ended 31st March, 2017. Accordingly, paragraph 3(xi) of the order is not applicable.
- xii) 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.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related party 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.
- xiv) According to the information and explanations given 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.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected to him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934

ANNEXURE B TO THE AUDITORS REPORT

[Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our Report of even date to the members of HEM HOLDINGS AND TRADING LIMITED on the accounts of the company for the year ended 31st March, 2017]

We have audited the internal financial controls over financial reporting of **HEM HOLDINGS AND TRADING LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone 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.] 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of

unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects/possible effects of the material weakness described above on the achievements of the objectives of the control criteria, the Company has maintained, 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 March 31, 2017, 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.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2017 financial statements of the Company, and the material weakness does not affect our opinion on the financial statements of the Company.

**FOR, AGRAWAL SHUKLA & CO.
CHARTERED ACCOUNTANTS**



A handwritten signature in black ink, appearing to be "Pankaj Jain".

**(PANKAJ JAIN)
PARTNER
M.NO.407917**

Firm Reg. No.326151E

**PLACE: RAIPUR
DATED: 27/05/2017**

HEM HOLDING AND TRADING LIMITED

REG. OFF: 601/602A, FAIRLINK CENTER, OFF ANDHERI LINK ROAD, ANDHERI (W) MUMBAI 400053

EMAIL ID- compliance@hemholdings.com

CIN NO: L65990MH1982PLC026823

STANDALONE BALANCE SHEET AS ON 31ST MARCH, 2017

<u>EQUITY AND LIABILITIES</u>			2017	2016
<u>SHAREHOLDERS' FUND</u>				
(a) Share Capital	2		2400000.00	2400000.00
(b) Reserves & Surplus	3		19609883.56	10886289.93
			22009883.56	13286289.93
<u>CURRENT LIABILITIES</u>		4		
(a) Short Term Provisions			80000.00	11000.00
(b) Other Current Liabilities			338928.00	324270.00
	TOTAL		22428811.56	13621559.93
<u>ASSETS :</u>				
<u>NON-CURRENT ASSETS</u>				
(a) Fixed Assets				
(i) Tangible Assets	5		149444.00	157310.00
(b) Non-Current Investments	6		21095042.50	8893344.19
(c) Long Term Loans And Advances	7		5700.00	5700.00
			21250186.50	9056354.19
<u>CURRENT ASSETS :</u>				
(a) Cash and Cash Equivalents	8		1039135.06	4136252.87
(b) Other Current Assets	9		139490.00	428952.87
			1178625.06	4565205.74
			22428811.56	13621559.93
Summary of Significant Accounting Policies and other notes	1			

FOR AGRAWAL SHUKLA & CO.
 CHARTERED ACCOUNTANTS
 FIRM REGISTRATION NO. 326151E

(CA PANKAJ JAIN)
 PARTNER
 MEMBERSHIP NO. 407917

PLACE : RAIPUR
 DATE : 27 MAY'17

(Ketan M. Shah)
 DIRECTOR
 DIN-00312343
 A-5, Surya Vihar,
 Junwani Road,
 Bhilai (Durg) 490023

(Sangeeta K. Shah)
 DIRECTOR
 DIN-05322039
 A-5, Surya Vihar,
 Junwani Road,
 Bhilai (Durg) 490023

HEM HOLDING AND TRADING LIMITED

REG. OFF: 601/602A, FAIRLINK CENTRE, OFF ANDHERI LINK ROAD, ANDHERI (W) MUMBAI 400053

EMAIL ID- compliance@hemholdings.com

CIN NO: L65990MH1982PLC026823

STANDALONE STATEMENT OF PROFIT AND LOSS

For the year ended March 31st			2017	2016
I	Revenue from Operations	10	414529.05	439259.85
II	Other Income	11	9119723.33	6029838.00
III	Total Revenue (I + II)		9534252.38	6469097.85
IV	Expenses			
	Depreciation	5	7866.00	8280.00
	Other Expenses	12	726357.12	1250919.61
	Total Expenses		734223.12	1259199.61
V	Profit Before Tax (III – IV)		8800029.26	5209898.24
VI	Tax Expenses			
	Current Tax		80000.00	11000.00
VII	Profit / (Loss) for the year (V – VI)		8720029.26	5198898.24
VIII	Earning per equity share ;			
	1 Basic		36.33	21.66
	2 Diluted		36.33	21.66

Summary of Significant Accounting Policies and other notes	1
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FOR AGRAWAL SHUKLA & CO.
 CHARTERED ACCOUNTANTS
 FIRM REGISTRATION NO. 326151E

(CA PANKAJ JAIN)
 PARTNER
 MEMBERSHIP NO. 407917

PLACE : RAIPUR
 DATE : 27th MAY'17

(Ketan M. Shah)
 DIRECTOR
 DIN-00312343

A-5, Surya Vihar,
 Junwani Road,
 Bhilai (Durg) 490023

(Sangeeta K. Shah)
 DIRECTOR
 DIN-05322039

A-5, Surya Vihar,
 Junwani Road,
 Bhilai (Durg) 490023

HEM HOLDING AND TRADING LIMITED

REG. OFF: 601/602A, FAIRLIND CENTRE, OFF ANDHERI LINK ROAD, ANDHERI (W) MUMBAI 400053

EMAIL ID- compliance@hemholdings.com

CIN NO: L65990MH1982PLC026823

CASH FLOW STATEMENT FOR THE YEAR ENDED : 31ST MARCH ,2017

		2016-17	2015-16
(A)	CASH FLOW FROM OPERATING ACTIVITIES :		
	Net Profit / (Loss) before Tax and Extra Ordinary items		
	Adjustments for	8800029.00	5209898.00
	Depreciation	7866.00	8280.00
	Interest Received	(144853.00)	(315478.00)
	Dividend Received	(269676.00)	(123782.00)
	Profit or Loss on Sale of Investments		
	Share of Profit from Noble Export	(7416698.00)	(5031338.00)
		(7823361.00)	(5462318.00)
	Operating Profit / (Loss) before working capital changes	976668.00	(252420.00)
	Adjustments for		
	Trade and Other Receivable	428953.00	(210078.00)
	Trade Payable	3658.00	(4208.00)
		1409279.00	(466706.00)
	Cash generated from Operations		
	Direct Taxes Paid / Refund Received	(135925.63)	(135897.00)
	Net Cash from Operating Activities	1273353.37	(602603.00)
(B)	CASH FLOW FROM INVESTMENTS ACTIVITIES		
	Sales of Investments	215000.00	
	Purchase of Investments	(5000000.00)	
	Interest Received	144853.00	315478.00
	Dividend Received	269676.00	123782.00
	Net Cash from Investment Activities	(4370471.00)	439260.00
(C)	CASH FLOW FROM FINANCING ACTIVITIES		
	Loans Received / (Repaid)		
	Interest Paid		
	Net Cash used in Financing Activities	(3097118.00)	(163343.00)
	Net Change in cash and cash Equivalents (A + B + C)		
	OPENING BALANCE OF CASH AND CASH EQUIVALENTS	4136253.00	4299596.00
	CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	1039135.00	4136253.00
	As per our report attached	1039135.00	

FOR AGRAWAL SHUKLA & CO.
 CHARTERED ACCOUNTANTS
 FIRM REGISTRATION NO. 326151E

(CA PANKAJ JAIN)
 PARTNER
 MEMBERSHIP NO. 407917

PLACE : RAIPUR
 DATE : 27TH MAY'17

(Ketan M. Shah)
 DIRECTOR
 DIN-00312343
 A-5, Surya Vihar,
 Junwani Road,
 Bhilai (Durg) 490023

(Sangeeta K. Shah)
 DIRECTOR
 DIN-05322039
 A-5, Surya Vihar,
 Junwani Road,
 Bhilai (Durg) 490023

HEM HOLDINGS AND TRADING LIMITED

REG. OFF: 601/602A, FAIRLIND CENTRE, OFF ANDHERI LINK ROAD, ANDHERI (W) MUMBAI 400053

EMAIL ID- compliance@hemholdings.com

CIN NO: L65990MH1982PLC026823

NOTES TO FINANCIAL STATEMENTS**Note: 2**

	Number	2017(Rs.)	Number	2016(Rs.)
Share Capital :	250000.00	2500000.00	250000.00	2500000.00
Authorised :		2500000.00		2500000.00
Equity Shares of Rs. 10/- each	240000.00	2400000.00	240000.00	2400000.00
Issued , Subscribed and fully paid up : Equity Shares of Rs. 10/-each		2400000.00		2400000.00
Reconciliation of Equity Shares outstanding at the beginning and at the end of the year				
Balance as on April 1 st	240000.00		240000.00	
Balance as on March 31 st	240000.00		240000.00	

The Company has one class of equity shares having a par value of Rs. 10 each . Each shareholder is eligible for one vote per share held. In the event of liquidation the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts , in proportion to their shareholdings.

Share held by each shareholder more than 5 %		%		%
Name of the shareholder				
Ketan M Shah	51702	21.54	51702	21.54
Sangeeta Ketan Shah	35800	14.91	23950	9.98
Prabha Plantations Pvt. Ltd.	20443	8.51	20443	8.51

Note: 3

Reserve and Surplus :		2017 Rs.		2016 Rs.
General Reserve :				
As at April 1 st		38400.00		38400.00
Transfer from Surplus		38400.00		38400.00
Special Reserve Fund :				
As at April 1 st		1383000.00		1343000.00
Transfer from Surplus		40000.00		40000.00
		1423000.00		1383000.00
Surplus :				
As at April 1 st		9464889.93		4305355.69
Net Profit for the year		8720029.26		5198898.24
Income Tax Refund for earlier year				
		18184919.19		9504253.93
Appropriations for :				
Transfer to Special Reserve Fund		40000.00		40000.00
Income Tax Demand/Surplus from earlier year		3564.37		636.00
Closing Balance		18148483.56		9464889.93
		19609883.56		10886289.93

Note: 4

		2016 Rs.		2015 Rs.
CURRENT LIABILITIES				
(a) Short Term Provisions :				
Provision for Taxation (Net of Tax Paid Rs. 139490 /-) Previous Year Rs. 131553/-		80000.00		11000.00
		80000.00		11000.00
(b)Other Current Liabilities				
Rent Deposit		300000.00		300000.00
Others		38928.00		24270.00
		338928.00		324270.00
TOTAL		418928.00		335270.00

Note: 6**Non-Current Investments (At Cost) :****I. Equity Shares (Quoted) :**

Name of the Company & Funds	Number of Shares / Units		Face Value of each Share	As at 31 st Mar, 2017	As at 31 st Mar, 2016
			(Rupees)	(Rupees)	(Rupees)
Simplex Castings Limited	48700.00	(48700)	10.00	1768630.83	1768630.83
Hindustan Unilever Limited	400.00	(400)	1.00	60024.00	60024.00
Oil and Natural Gas Corporation Limited	280.00	(280)	5.00	39010.00	39010.00
Hindalco Industries Ltd. (Fully paid up)	528.00	(528)	1.00	68113.00	68113.00
Pfizer (India) Limited	66.00	(66)	10.00	45210.00	45210.00
Chambal Fertilizers & Chemicals Limited	1000.00	(1000)	10.00	20600.00	20600.00
East India Hotels Limited	750.00	(750)	2.00	22350.00	22350.00
ICICI Bank Limited	1250.00	(250)	2.00	69000.00	69000.00
Sunflag Iron & Steel Co. Limited	3000.00	(3000)	10.00	55169.24	55169.24
Investment & Precision Casting Limited	400.00	(400)	10.00	50278.80	50278.80
National Thermal Power Co. Limited	900.00	(900)	10.00	139545.35	139545.35
Ballarpur Industries Limited	1500.00	(1500)	2.00	38970.00	38970.00
Sarda Energy & Minerals Limited	100.00	(100)	10.00	14483.50	14483.50
Siemens Limited	200.00	(200)	2.00	100455.81	100455.81
State Bank of India Limited	600.00	(60.00)	1.00	63569.39	63569.39
Hindustan Zinc Limited	1000.00	(1000)	2.00	80412.14	80412.14
Reliance Communications Limited	500.00	(500)	5.00	229292.76	229292.76
Central Bank of India	96.00	(96)	10.00	9828.00	9828.00
Reliance Power Limited	25.00	(25)	10.00	6880.00	6880.00
IDBI Bank Limited	1000.00	(1000)	10.00	45099.00	45099.00
IDFC Bank Limited	400.00	(400.00)	10.00	37220.35	37220.35
IDFC Limited	400.00		10.00		
Shri Bajrang Alloys Limited	1000.00	(1000)	10.00	27590.28	27590.28
Tamboli Capital Limited	800.00	(800)	10.00	15273.74	15273.74
Noble Export				12548036.31	5131338.00
				15555042.50	8138344.19

II.) Mutual Funds : (Quoted) :

HSBC Midcap Equity Fund Growth Account	3260.92	(3260.92)	15.33	50000.00	50000.00
HDFC Midcap Opportunities Fund	5725.911	(703.72)	138.98	100000.00	100000.00
HSBC Midcap Equity Fund Dividend Payout	12950.96	(4148.999)	12.05	140000.00	140000.00
L & T Equity Growth Fund		(9669.55)	11.89		115000.00
SBI Blue Chip Fund	5000.00	(5000)	10.00	50000.00	50000.00
L & T India Special Situation Fund		(9779.95)	10.23		100000.00
Franklin Templeton India Smaller Companies F	6626.175	(19550.34)	10.23	200000.00	200000.00
Tata Balanced Fund Regular Plan- Monthly	73501.233		68.03	5000000.00	
Dividend					
(Market Value of Quoted Investments Rs.14251645/- Previous year Rs. 7359212/-)					
				5540000.00	755000.00
Previous Year's Figures are shown in brackets.					
				21095042.50	8893344.19

Note: 7

	2016	2015
Long Term Loans And Advances :		
Advances recoverable in cash or in kind or value	5700.00	5700.00
	5700.00	5700.00

Note: 8**Cash and Cash Equivalents**

- Balance with Bank	935795.41	647000.72	4102457.72
In Current Accounts			
In Fixed Deposits	0.00	3455457.00	33795.15
- Cash in Hand			4136252.87
	935795.41		
	103339.65		
	1039135.06		
includes fixed deposits maturing after 12 months	Nil		939650.00

Note: 9

<u>Other Current Assets</u>		2017		2016
Advance Tax including TDS		139490		131553
Dividend Receivable				13685.24
Interest Receivable				283714.63
		<u>139490.00</u>		<u>428952.87</u>

HEM HOLDINGS AND TRADING LIMITED

NOTES TO FINANCIAL STATEMENTS

As on 31st March 2017

NOTE 10

	2017	2016
Revenue from Operations		
Dividend	269676.05	123781.85
Interest on Bank Deposits	144853.00	315478.00
	414529.05	439259.85

NOTE 11

	2017	2016
Other Income		
Income from Noble Export	7416698.31	5031338.00
Rent	997000.00	998500.00
Interest on Income Tax Refund	5757.00	
Long Term Capital gain	700268.02	
	9119723.33	6029838.00

NOTE 12

	2017	2016
Other Expenses :		
Rates and Taxes (Premises)	55110.00	86155.00
Repair to premises	40000.00	80000.00
Directors' Fees	13000.00	22000.00
Salary	100000.00	65000.00
Audit Fees	23000.00	18320.00
Professional Fees	133463.00	625000.00
Advertisement	39836.00	38600.00
Postage and Telephones		7339.00
Conveyance		3705.00
Custody Fees	9487.00	
Listing Fees	229000.00	224720.00
Demat Charges		1275.00
Registration & Renewal Exp.	56598.00	28645.00
Tour & Travelling Exp.		8199.00
Roc Fees	2500.00	38500.00
Miscellaneous Expenses	24363.12	3461.61
	726357.12	1250919.61

(Includes for Previous years Rates and Taxes of Rs. Nil/- Previous Year - Nil/-)

FOR AGRAWAL SHUKLA & CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 326151E

(CA PANKAJ JAIN)
PARTNER
MEMBERSHIP NO. 407917

PLACE : RAIPUR
DATE : 27TH MAY'17

(Ketan M. Shah)
DIRECTOR
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(Sangeeta K. Shah)
DIRECTOR
DIN-05322039
A-5, Surya Vihar,
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HEM HOLDINGS AND TRADING LIMITED

As at 31st March 2017 2016
(Rs.) (Rs.)

GROUPINGS**Short Terms Provisions :**

(A) Provision for Taxation (Net)

(a) Provision for Taxation (Gross)

AY 2017-2018	80000.00	
AY 2016-2017		11000.00
(a)	80000.00	11000.00

Less :

Advance Tax (Including T.D.S.)

AY 2015-2016

(b)	0.00	0.00
-----	------	------

Total (a) -(b)	80000.00	11000.00
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Other Current Liabilities

Audit Fees Payable	23000.00	18320.00
Deposits from Ajay Kumar Srivastav	300000.00	300000.00
Agrawal Shukla & Co.	2000.00	3000.00
Link Intime Pvt. Ltd.	3622.00	
Satisbatra & Associates	8600.00	1950.00
TDS Payable	1706.00	1000.00
	338928.00	324270.00

Long Term Loan & AdvancesAdvances recoverable in cash or in kindfor value to be received

Stock Holding Corp. of India Ltd.(Demat Deposit)	3650.00	3650.00
BEST & Undertaking Deposit	1000.00	1000.00
Security Deposit - Telephone	1050.00	1050.00
	5700.00	5700.00

Cash and Cash Equivalents

Fixed Deposits with SBH, Mumbai		3455457.00
State Bank of Hyderabad , Mumbai	156941.93	300194.62
Axis Bank Ltd. ,Bhilai	778853.48	346806.10
Cash on Hand	103339.65	33795.15

<u>1039135.06</u>	<u>4136252.87</u>
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Other Current Assets

Noble Export	12548036.31	5131338.00
Dividend Receivable		13685.24
Advance Tax including TDS	139490.00	131553.00
Interest Receivable		283714.63
	<u>12687526.31</u>	<u>5560290.87</u>

Miscellaneous Expenses

Bank Charges	1630.62	484.11
Printing and Stationery		40.00
Demat Charges	572.00	
Webpage Charges	11770.00	
Miscellaneous Expenses	10390.50	2937.50
	<u>24363.12</u>	<u>3461.61</u>

Revenue from Operations

(A) DIVIDEND INCOME

Sr. No.	Name of the Company	2016-17	2015-16
		Rs.	Rs.
1	Simplex Castings Limited		27350
2	Hindustan Lever Limited	6600	6200
3	Oil and Natural Gas Corporation Limited	3115	1610
4	Hindalco Industries Ltd. (Fully paid up)	528	528
5	Pfizer (India) Limited	990	825
6	Chambal Fertilizers & Chemicals Limited	1900	1900
7	East India Hotels Limited		1650
8	ICICI Bank Limited	6250	6250
9	Sunflag Iron & Steel Co. Limited		
10	Investment & Precision Casting Limited	280	200
11	National Thermal Power Co. Limited	4876.51	3977.98
12	Ballarpur Industries Limited		300
13	Sarda Eenergy & Minerals Limited		500
14	Siemens Limited	6700	2000
15	State Bank of India Limited	1560	2100
16	Hindustan Zinc Limited	25900	6300
17	Reliance Power Ltd.		25
18	Central Bank of India		48
19	IDBI Bank Limited		750
20	IDFC Limited	100	1040
21	Shri Bajrang Alloys Limited		
22	Tamboli Capital Limited	480	480
		59279.51	64033.98

(B) MUTUAL FUNDS (QUOTED)

Sr. No.	Name of the Company		
01	HSBC Midcap Equity Fund Growth Account		
02	HDFC Top 200 Fund Growth Account		
03	HSBC Midcap Equity Fund Dividend	22664.17	32377.39
04	L & T Equity Growth Fund		
05	SBI Blue Chip Fund		
06	L & T India Special Situation Fund	19559.9	
07	Tata Balanced Fund Regular Plan - Monthly Dividend	168172.47	
08	Franklin Templeton India Equity Fund-Dividend		27370.48
		210396.54	59747.87

	TOTAL (A) + (B)	269676.05	123781.85
(b)	<u>Interest on Bank Deposits</u>		
	On Bank Fixed Deposits	144853.00	315478.00
	(Including TDS Rs. /- 14490)		
		<u>144853.00</u>	<u>315478</u>

HEM HOLDINGS & TRADING LIMITED

NOTE - 1(A)

SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE ACCOUNTS FOR THE F. Y. 2016-17

A. BASIS OF ACCOUNTING

The financial statement have been prepared under the historical cost conventional accrual basis of accounting, in conformity 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. Accounting principles generally accepted in India requires management to make estimates and assumptions that affect the reported amounts of asset and liabilities and disclosures relating to contingent liabilities as at the date of financial statements and reported amounts of revenues and expenses during the reporting period.

Some of the more important Accounting policies which have been applied are summarized below.

B. USE OF ESTIMATES

The preparation of financial statements are in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods. Examples of such estimates include provisions for doubtful debts, provision for income taxes and the useful lives of fixed assets.

C FIXED ASSETS

1. Fixed Assets are stated at cost of acquisition and valued at Historical cost. Related pre operational expenses form part of the value of assets capitalized less Depreciation.
2. Directly identified expenses are being capitalized. All other allocable expenses during the period of construction for the project are being capitalized proportionately on the basis of the value of assets on date of production

D. DEPRECIATION

- i. Depreciation on depreciable assets has been provided in the books of accounts, as per the rates prescribed in schedule II of the companies Act, 2013 as per Straight Line Method.
- ii Depreciation on additions to and deductions from fixed assets is being provided on pro-rata basis from /to the date of acquisition/disposal.

E. INVESTMENTS

Long term investments are carried out at cost less any other temporary diminution in value, determined on the specific identification basis.

Current investments are carried at the lower of cost and fair value. Profit & Loss on sale of investment is determined on specific identification basis.

F. INVENTORIES:-

The Company has no stock of raw material, stores, finished goods, spares etc.

G. TAXES ON INCOME:-

Current tax is determined as the amount of tax payable in respect of taxable income for the years. Deferred tax is recognised, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Where there is an unabsorbed depreciation or carry forward loss, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets, other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax after the tax holiday period. Accordingly, it is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

H. REVENUE RECOGNITION:-

- i. Mercantile method of accounting is employed. However where the amount is immaterial / negligible and / or establishment of accrual / Determination of amount is not possible, no entries are made for the accruals.
- ii. Interest on allotment/call/refund money is accounted for on cash basis

I. **BORROWING COST**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowings costs are charged to revenue.

J. **EMPLOYEE BENEFITS**

- a. Provident Fund is a defined contribution scheme and the contribution is charged to the Profit & Loss A/c of the year when the contributions to the Government Funds is due.
- b. Gratuity Liability is defined benefit obligations and are provided for on the basis of following formula:-
 Last drawn Salary * 15/26 * No. of Completed year of Services
 The above calculation is done only for those employees who have completed continuous five year of services. However, the above calculation of Gratuity is not as per Actuary Valuation
- c. Short Term Compensated absences are provided for based on estimates. Long Term compensated absences are provided for based on actuarial valuation.
- d. Actuarial gains / losses are immediate taken to the profit & loss account and are not deferred.

K. **IMPAIRMENT OF ASSETS**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is normally charged to Profit & Loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

L. **LEASE**

There are no Finance leases or leases of any other kind to be dealt with in the accounts.

M. **FOREIGN CURRENCY TRANSACTIONS**

There are no foreign currency transactions.

N. **EARNINGS PER SHARE**

The Company reports Basic and Diluted Earnings Per Share (EPS/DEPS) in accordance with Accounting Standard 20 on "Earnings Per Share". Basic EPS is computed by dividing the net profit or loss for

the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

O. **PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

The Company recognizes provisions when there is present obligation as a result of past event and it is probable that there will be an outflow of resources and reliable estimate can be made of the amount of the obligation. A disclosure for Contingent liabilities is made in the notes on accounts when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources. Contingent assets are neither recognised nor disclosed in the financial statements.

P. **TRADE RECIEVABLE & PAYABLES**

Services rendered on credit are included in trade receivables at the balance sheet date & reduced by appropriate allowances for estimated doubtful amounts. Trade payables are stated at their nominal value.

Q. **CASH AND CASH EQUIVALENTS**

For the purpose of the cash flows, cash & cash equivalents comprise cash on hand, balances with bank and deposits with banks.

R. **CASH FLOW STATEMENT**

The cash flow statement is prepared as per the Indirect method prescribed under "Accounting Standard – 3" Cash Flow Statement issued by the Institute of Chartered Accountants of India.

NOTE - 1(B)**GENERAL NOTES TO ACCOUNTS:-**

1. Earning per share:

Particulars	Current Year 2016-17	Previous Year 2015-16
Net Profit after tax	87,20,029.26	51,98,898.24
Weighted average number of Equity Share	2,40,000	240000
Nominal Value per share	10.00	10.00
Basic and Diluted Earnings Per share	36.33	21.66

2. Previous year's figures have been regrouped wherever necessary to confirm to this year's classifications
3. There is no claim against the company not acknowledged as debts.
4. Balance shown under the headings sundry creditors for Goods, expenses & others, sundry debtors, other current assets, banks and advances to suppliers are subject to confirmations. Necessary adjustment, if any will be made when the accounts are reconciled and settled.
5. In the opinion of the management there is no such event occurred after the date of Balance sheet, which needs to be adjusted in these accounts.
6. In the Opinion of the board of directors, the loans, advances and current assets have a value on realization in the ordinary course of business, at least equal to the amounts of which these are stated and that the provisions for the known liabilities are adequate and not in excess of the amount reasonably necessary.
7. Valuation & consumption of inventories has been taken as valued and certified by the management.
8. There were no employee at any time during the year drawing Rs.5,00,000.00 or more per month.
9. No. of employees in the company is not more than 10. Hence Gratuity Act and ESIC Act are not applicable. Since the no. of employees is less than 20, Provident fund Act is also not applicable.
10. **Segment Reporting** :-
 - a) Business Segment: - The Company's business activity falls within a single primary business segment viz finance and investments. As such there are no separate reportable Segments as per Accounting Standard 17.
 - b) Geographical Segment: - The Company provides Services within India. The condition prevailing in India being uniform No Separate geographical segment disclosure is considered necessary.
11. **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 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 realized.

12. **Related Party disclosure:** -

Disclosures as required by accounting standard 18 (AS-18) related party disclosures issued by the institute of chartered accountants of India are as follows and description of relationship.

A. **Related Parties:**

Associate Companies

1. Prabha Plantation Pvt. Ltd.
2. Sim Prabha Estates and Trading Company Pvt. Ltd.
3. SEFW Projects Pvt. Ltd.
4. Simplex castings Limited
5. Ssquare Corporate Consultants Pvt. Ltd.
6. Sachdeva Sales Pvt. Ltd.
7. Cardinal Yacht Builders Private Limited
8. Mi Consultants Private Limited
9. Mi Productions Private Limited
10. RPM Global Solutions Private Limited
11. LUXE Yachts Private Limited

Directors:

Shri Ketan M. Shah
Smt. Sangeeta Ketan Shah
Shri Pankaj Sachdeva
Shri Mehul Nisar

B. **Related party transaction:**

SR. No.	Nature of transaction	Directors	
		2016-17	2015-16
1.	Sitting Fees	Rs. 13,000.00	22,000.00

C. There are no write offs/Write back of any accounts for any of the above related parties.

(Rs. in Lakhs)

Nature of Transactions	Referred in 20(a)(i) above	Referred in 20(a)(ii) above	Referred in 20(a)(iii) above
Remuneration Paid / Salary	NIL	NIL	NIL
Rent	NIL	NIL	NIL
Purchase	NIL	NIL	NIL
Loan or Deposit taken	NIL	NIL	NIL
Loan or Advance Given / Repaid	NIL	NIL	NIL

Investment	NIL	NIL	NIL
Receivable to Company	NIL	NIL	NIL
Payable by Company	NIL	NIL	NIL

13. Details of Employee benefits as required by the Accounting Standard 15 "Employee Benefits" are given below:-

(a) Defined Contribution Plans:-

During the year the company has not employed more than 10 employees and therefore no Statutory Act Related employee are applicable. However company has not recognized any amount for Defined Contribution in the profit & loss Accounts as the employee's are not permanent.

(b) Defined benefit plan:-

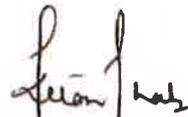
No Provision of Gratuity and encashment of leave has been made for the employees up to 31.03.2017

14. There being no dealings with Micro, Small and Medium Enterprises, there are no out standings to such parties.
15. During the year as per new Depreciation Schedule II of Companies Act, 2013 Company have not written off any amount from earlier year profit as there were no assets whose life is expired during the period under audit.
16. Significant accounting policies adopted by the Company are disclosed in the statement annexed to these financial statements as Annexure 1(a) above.

FOR AGRAWAL SHUKLA & CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 326151E



(CA PANKAJ JAIN)
PARTNER
MEMBERSHIP NO. 407917

(Ketan M. Shah)
DIRECTOR
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A-5, Surya Vihar,
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(Sangeeta K. Shah)
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DIN-05322039
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Junwani Road,
Bhilai (Durg) 490023

PLACE : RAIPUR
DATE : 27.05.2017

HEM HOLDINGS AND TRADING LIMITED

CIN: L65990MH1982PLC026823

Regd office: 601/602A, Off Andheri Link Road, Fair Link Road, Andheri (West) Mumbai-53.

PROXY FORM (Form No.MGT-11)

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014.]

Name of the member(s)(Sole /first Shareholder)	
Name of Joint Holder, if any	
Registered Address:	
Email Id:	
Folio No. / Client Id:	
DP ID:	
No. of Shares held	

I / We, being the member(s) of _____ shares of the above named Company, hereby appoint:

1. Name: _____ Email Id: _____

Address: _____

Signature: _____, or failing him / her

2. Name: _____ Email Id: _____

Address: _____

Signature: _____, or failing him / her

3. Name: _____ Email Id: _____

Address: _____

Signature: _____

as my/our Proxy to attend and vote for me /us and on my / our behalf at the 35th Annual General Meeting of the Company, to be held Thursday, 28th September, 2017 at 03.00 P. M. at Fairlink Centre , off Andheri Link Road, Andheri (west), Mumbai-400 053, and at any adjournment thereof in respect of such resolutions as are indicated below:

S No.		Vote (See Note 3)	
		For	Against
	Ordinary Business		
1	To receive, consider and approve the Audited Financial Statement of the Company for the financial year ended 31 st March, 2017 together with Reports of Directors and Auditors thereon		
2	To consider appointment of a Director in place of Shri Ketan Moolchand Shah (DIN:00312343) who retires by rotation and being eligible offer himself for re-appointment.		
3	To consider and approve appointment of M/s Agrawal Shukla & Co., Chartered Accountants, Firm Registration No. 32615E as Statutory Auditors of the Company		

Signed this..... day of.....2017.

Signature of Shareholder

Signature of Proxy holder(s)

Please affix Re.1/- revenue stamp

NOTE:

1. The Proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.

2. 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. A member holding more than ten percent of the total share capital of the Company may appoint a single person as a proxy and such person cannot act as a proxy for any other person or shareholder.

3. It is optional to put a "X" in the appropriate column against the Resolutions indicated in the Box. If you leave the "For" or "Against" column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.

HEM HOLDINGS AND TRADING LIMITED

If undelivered, please return to :Reg office: 601/602A,
Fairlink Center, off Andheri Link Road, Andheri (W),
Mumbai- 400 053 (India)

