

ANNUAL REPORT

OF

M/S HEM HOLDINGS AND TRADING LTD.

FOR THE YEAR ENDED 2014 – 15

M/S HEM HOLDINGS AND TRADING LIMITED
601/602A, FAIRLINK CENTRE, OFF. ANDHERI
LINK ROAD , ANDHERI (W) MUMBAI

HEM HOLDINGS AND TRADING LIMITED

Regd. Off.: 601/602A, Fairlink Centre, Off. Andheri Link Road, Andheri (W) Mumbai 400 053

Tel No. 022-40034768

Email: compliance@hemholdings.com

DIRECTORS' REPORT

To
The members
Hem Holdings & Trading Limited,
Mumbai,

Your directors are pleased to present their 33rd Annual Report and Accounts of your Company for the year ended on 31st March, 2015.

1. FINANCIAL RESULTS

	31st March, 2015	31st March, 2014
Total Income	13,99,905.94	13,55,563.62
Total Expenses	5,26,338.79	3,60,155.00
Profit before interest, depreciation & tax	8,73,567.15	9,95,408.62
Less: Interest	-	-
Depreciation	8,715.00	9,174.00
Profit before tax	8,64,852.15	9,86,234.62
Less: Provision For Tax	-	-
Current Tax	1,80,000.00	2,05,000.00
Profit after tax	6,84,852.15	7,81,234.62
Add: balance carried from profit and loss A/c	50,11,403.54	42,30,168.92
Provision for tax	9,500.00	0.00
Balance at the end of the year	56,86,755.69	50,11,403.54

2. PERFORMANCE REVIEW & STATE OF THE COMPANY'S AFFAIRS:

The total income for the financial year 2014-15 is Rs.13.99 lacs as against Rs.13.55 lacs for the year 2013-14. The profit before tax is Rs.8.64 lacs and profit after tax is Rs.6.84 lacs for the year under review against the profit before tax of Rs.9.86 lacs and profit after tax of Rs.7.81 lacs for the year 2013-14 respectively.

Your Directors feel that the prospects for the current year are much favorable as compared to the year under review. The Company has expansion plans and is making all efforts cope up with the market situations and increase the operations.

The Company continues to perform at the low level though there is a marginal increase in income for the year under review. To cut the ice, a radical change policy is being formulated and the results for the current year will be better.

3. 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.

4. THE PROPOSED AMOUNTS TO CARRY TO ANY RESERVES

The profit earned during the year has been transferred to Reserves & Surplus which stand at Rs. 56,86,755.69.

5. BOARD OF DIRECTORS:

In accordance with the provisions of the Companies Act Shri Ketan M. 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.

Director's report with regret Smt. Prabha M. Shah ceased to be Director on account of her death. Shri Shamji Moolji Shah & Shri H. C. Shah resigned from the Board of Directors due their personal reasons. Directors place on record valuable services rendered by them during their tenure of association with the Company.

During the year Shri Pankaj Sachdeva and Shri Mehul Nisar joined the Board of Directors as Independent Directors. The Company has received declarations from all the Independent Directors of the Company confirming the status of their Independence.

6. 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.

7. 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.

8. 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.

9. NUMBER OF MEETINGS OF THE BOARD

The following Meetings of the Board of Directors were held during the Financial Year 2014-15:

Sr. No.	Date of Meeting	Board Strength	No. of Directors Present
a)	28.05.2014	6	3
b)	16.06.2014	6	4
c)	12.08.2014	5	4
d)	04.09.2014	5	4
e)	12.11.2014	5	3
f)	30.12.2014	5	3
g)	12.02.2015	5	3

10. 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, 2015, 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, 2105 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.

11. 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.

12. 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.

13. 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.

The Company has implemented several best corporate governance practices as prevalent globally. The report on Corporate Governance (Annexure-1) as stipulated under the Listing Agreement forms an integral part of the Report.

The requisite certificate from the auditors of the Company confirming compliance with the conditions of corporate governance is attached to the report on Corporate Governance (Annexure-2).

14. 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. Form AOC-2 as required under the Companies (Accounts) Rules, 2014 is attached as Annexure-3.

15. RISK MANAGEMENT POLICY OF THE COMPANY

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.

16. 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.

17. 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 2015-16. Under Section 139(2) of the Companies Act, 2013, they have furnished the certificate of their eligibility for re-appointment.

18. AUDITOR'S REPORT:

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.

19. EXTRACT OF ANNUAL RETURN

Extract of Annual return of the Company is annexed herewith as an Annexure-4 to this report.

20. COMMITTEES

a. 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 co-members.

b. Nomination and Remuneration Committee

The Company has duly constituted a Nomination and Remuneration Committee under the chairmanship of Shri Ketan M. Shah, a Director of the Company with Shri Pankaj Sachdeva and Shri Mehul Nisar as co-members. Company has developed a Nomination and Remuneration policy (Annexure-5) which form the part of the Report.

c. Investors Grievances Redressal Committee

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

d. 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.

21. 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 No. 6 to the Financial Statements.

22. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in Annexure - 6.

23. 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.

24. 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:-

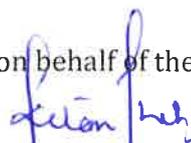
- a. Company is not covered under Section 135(2) of the Companies Act, 2013.
Hence, no disclosure regarding Corporate Social Responsibility is required under the said section or applicable rules.
- b. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- c. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
- d. There is no involvement of any subsidiary.
- e. 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.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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


(Ketan M. Shah)
DIRECTOR

Place : Bhilai

Date :

ANNEXURE - 1
CORPORATE GOVERNANCE REPORT
(Pursuant to clause 49 of the Listing Agreement)

Company Philosophy on code of governance:

The essence of Corporate Governance lies in its transparency, its efficiency lies in its ability to protect the stakeholders interest. Sound ethical practices, transparency in operations and timely disclosures go a long way to enhancing long-term shareholder value while safeguarding the interest of all the stakeholders.

Clause 49 of the listing agreement with stock exchanges in India has set the benchmark compliance rules for a listed company and the baseline for governance standards.

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.

Your Company is a listed company on the Bombay Stock Exchange, Mumbai and has a governance process and practices to achieve transparency and professionalism in action as well as the implementation of policies and procedures 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.

1. Board of Directors :

a. Composition of Board of Directors.

As on March 31st March, 2015, your Company's Board of the Directors of the Company consisted of five (5) Directors with varied experience in different areas. The composition of the Board is in conformity with the clause 49 of the provisions of listing agreement, with 50% of the Board consisting of Independent Directors. The details of composition and categories of Directors are as follows.

- | | |
|--------------------------|------------------------------|
| a. Shri Ketan M. Shah | (Executive Director) |
| b. Smt. Sangeeta K. Shah | (Woman & Executive Director) |
| c. Shri Pankaj Sachdeva | (Independent Director) |
| d. Shri Mehul Nisar | (Independent Director) |
| e. Smt. Prabha M. Shah | (Non- Executive Director) |

Smt. Prabha M. Shah ceased to be as a Director of the Company w.e.f. 12th Apr'15 due to her untimely and sad demise.

b. Policy

All statutory & other significant and material information are placed before the Board to enable it to discharge its responsibilities of strategic supervision of the company and as trustees of stakeholders, as per policy the Board meets at least once every quarter. During the year the Board met 7 times on 28th May'14, 16th Jun'14, 12th Aug'14, 4th Sep'14, 12th Nov'14, 30th Dec'14, 12th Feb'15

c. Meeting attendance of each directors at the BOD meeting and last AGM is as under:-

Name of Directors	No. of Board Meetings Attended	Attendance at Last AGM
Shri Ketan M Shah	7	No
Smt. Prabha M Shah	3	No
Smt. Sangeeta K Shah	7	Yes
Shri HC Shah		No
Shri Shamji Shah		No
Shri Pankaj Sachdeva	6	Yes
Shri Mehul Nisar	1	No

d. **Directors seeking reappointment**

Shri Ketan M. Shah retires at the ensuing Annual General Meeting and is eligible for re-appointment.

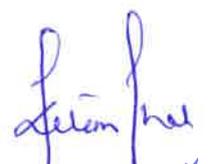
2. **Code of Business Conducts and Ethics**

The Board of Directors has laid down a Code of Conduct for all Board Members and senior employees of the Company. The annual accounts contain the Code of Conduct and a declaration by the Director.

Your company has adopted a code of conduct for all the Board members and members of senior management, between whom it has been circulated and compliance thereto affirmed. A declaration signed by the Director is given below.

I hereby confirm that:

"The company has obtained from all the members of the Board and senior management, affirmation that they have complied with the code of conduct for directors and senior management in respect of the financial year 2014-15"


(Ketan M. Shah)
DIRECTOR

3. Committees of the Board

a) **Audit Committee**

The Audit Committee continued working under Chairmanship of Shri Pankaj Sachdeva with Shri Mehul Nisar and Smt. Sangeeta K. Shah as co-members.

The sub-committee met on four occasions with full attendance of all the members.

The committee met on the following dates with attendance as shown below:

Date of Meeting	Committee strength	No. of members present
16 th Jun'14	3	3
23 rd Sep'14	3	3
22 nd Oct'14	3	3
12 th Feb'15	3	3

b) **Nomination & Remuneration Committee**

The Nomination & Remuneration Committee has been constituted under the Chairmanship of Shri Ketan M Shah with Shri Pankaj Sachdeva and Shri Mehul Nisar as co-members. The Committee has been formed to review and recommend the remuneration policy of the Company and to recommend the revision in salary structure of Directors. During the year, the sub-committee met once on 23rd Apr'14 with full attendance of all the members and decided that due to slow growth in Industries and low profits directors should not draw any remuneration.

c) **Investors Grievances Redressal Committee**

The Investors Grievances Redressal committee has been constituted under the Chairmanship of Shri Pankaj Sachdeva with Shri Ketan M Shah and Smt. Sangeeta K Shah as co-members. The committee has been formed for faster Redressal of investor grievances. In the Financial year under review, one meeting of the Committee was held 30th Aug'14.

4. General Body Meeting

Particulars of last three Annual General Meetings

AGM	Year ended 31 st March	Venue	Date	Time
30 th	2012	Registered office of the Company	16.07.2012	2.30 P.M.
31 st	2013		03.08.2013	3.00 P.M.
32 nd	2014	Plot No. 247, 1 st Floor, Amrut Towers, Telang Road, Matunga (E), Mumbai- 400019	27.09.2014	3.00 P.M.

5. Disclosures

- i. There was no transaction of material nature with any of the related party, which is in conflict with the interest of the company.
- ii. Details of non-compliance by the company, penalties, strictures imposed on the company by the Stock Exchange or SEBI or any authority on any matter related to capital markets during last 3 years -

There was no instance of levy of any penalties during the last three years..

- iii. The company has put in place a mechanism of reporting illegal or unethical behavior. Employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor/notified persons. The reports received from any employee will be reviewed by the audit committee. 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 whistle blowers are not subjected to any discriminatory practice.

6. Means of Communication

Information like financial results (quarterly, half-yearly or annual) and press releases on significant developments in the Company have also submitted to the stock exchanges to enable them to put them on their websites and communicate to their members.

Details of management discussion are a part of the annual report.

No presentation made to institutional investors or to the analysts. Management Discussion & Analysis are not a part of Annual Report.

7. General Shareholder Information for the year

AGM- Date, Time and venue	28.09.2015
Financial Year	31-03-2015
Book Closure Date	20.09.2015 to 28.09.2015
Dividend Payment Date	No dividend declared
Listing of Equity Shares on Stock Exchange	Bombay Stock Exchange, Mumbai
Market price data and other related information	The shares are not being regularly traded.
Registrar & Transfer Agent.	Securities are maintained In-house in the Company.

8. Auditors' Certificate on Corporate Governance

As required under clause 49 of the listing Agreement, the Auditors Certificate (Annexure -2) is annexed to the Directors' Report.

(Ketan M. Shah)
DIRECTOR

ANNEXURE - 2

AGRAWAL SHUKLA & CO.
CHARTERED ACCOUNTANTS

Off. 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

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITION OF CORPORATE
GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To
The Members of Hem Holdings & Trading Limited,

We have examined the compliance of conditions of Corporate Governance procedures implemented by Hem Holdings & Trading limited, during the year ended March 31, 2015 as stipulated in clause 49 of the listing agreement of the said company with the stock exchanges in India.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to the review of 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.

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.

On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement(s) with Stock Exchange have been complied with in all material respect by the Company and that no investor grievance (s) is / are pending for a period exceeding one month against the Company as per the records maintained by the Share holders' Grievance / Allotment and Transfer Committee of the Board.

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:

ANNEXURE - 3

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

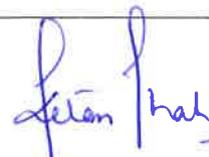
Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

Sr. No	Particulars	Details
(a)	Name(s) of the related party and nature of relationship	Nil
(b)	Nature of contracts/arrangements/transactions	Nil
(c)	Duration of the contracts / arrangements/transactions	Nil
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Nil
(e)	Justification for entering into such contracts or arrangements or transactions	Nil
(f)	date(s) of approval by the Board	Nil
(g)	Amount paid as advances, if any:	Nil
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Nil

2. Details of material contracts or arrangement or transactions at arm's length basis

Name of the Related Party	Nature of relationship	Duration of Contract	Salient Terms of the Contract	Amount
Nil				



(Ketan M. Shah)
DIRECTOR

ANNEXURE - 4

FormNo.MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31st March, 2015

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

1. 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-govt. Company
v.	Address of the Registered office and contact details	601/602A, Fairlink Centre, Off Andheri Road, Andheri (W), Mumbai, Maharashtra – 400053
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Securities are maintained In-house in the Company.

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All 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	-	70%
2	Dividend & Interest	-	30%

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
i.	NONE				

4. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year	No. of Shares held at the end of the year	% Change
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2. Non Institutions	-	-	-	-	-	-	-	-	-
xxvi. Bodies Corp.	-	-	-	-	-	-	-	-	-
(i) Indian									
(ii) Overseas									
xxvii. Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	165255	165255	68.86	-	153255	153255	63.86	-
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
xxviii. Others(Specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)		240000	240000	100		240000	240000	100	

ii. Shareholding of Promoters

Sr. No	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	
i	PM Shah	2900	1.21	-	2900	1.21	-	-
ii	Prabha M Shah	700	0.29	-	700	0.29	-	-
iii	Ketan M Shah	48102	20.04	-	48102	20.04	-	-
iv	Prabha Plantations Pvt Ltd	3000	1.25	-	3000	1.25	-	-
v	Prabha Plantations Pvt Ltd	3800	1.58	-	3800	1.58	-	-
vi	Prabha Plantations Pvt Ltd	14643	6.10	-	14643	6.10	-	-

vii	Sim Prabha Estates & Trading Co. Pvt. Ltd.	1600	0.67	-	1600	0.67	-	-
viii	Sangeeta K Shah	-	-	-	12000	5	-	5
	Total	74745	31.14	-	86745	36.14	-	-

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

Sr. no		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
i.	At the beginning of the year	74745	31.14	74745	31.14
ii.	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	12000	5	12000	5
iii.	At the End of the year	86745	36.14	86745	36.14

5. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	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 due but not				

paid iii) Interest accrued but not due	
Total (i+ii+iii)	

6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

i. Remuneration to Managing Director, Whole-Time Directors and/or Manager

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
i.	Gross salary: (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisite/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	
ii.	Stock Option		
iii.	Sweat Equity		
iv.	Commission - as % of profit - others, specify...		
v.	Others, please specify		
vi.	Total(A)		
	Ceiling as per the Act		

Remuneration to other directors:

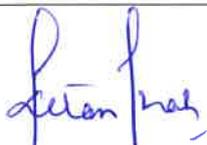
Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
i.	<u>Independent Directors</u> · Fee for attending board committee meetings · Commission · Others, please specify	NIL	
ii.	Total(1)		
	<u>Other Non-Executive Directors</u> · Fee for attending board committee meetings · Commission · Others, please specify		
iii.	Total(2)		
	Total(B)=(1+2)		
	Total Managerial Remuneration		
	Over all Ceiling as per the Act		

ii. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

Sr. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
i.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisite/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL			
ii.	Stock Option				
iii.	Sweat Equity				
iv.	Commission - as % of profit - others, specify...				
v.	Others, please specify				
vi.	Total				

7. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/Court]	Appeal made. If any (give details)
i. Company					
Penalty	NIL				
Punishment					
Compounding					
ii. Directors					
Penalty	NIL				
Punishment					
Compounding					
iii. Other Officers In Default					
Penalty	NIL				
Punishment					
Compounding					


 (Ketan M. Shah)
 DIRECTOR

ANNEXURE - 5

NOMINATION AND REMUNERATION POLICY

INTRODUCTION

The Company considers 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 :

1. To take into account the performance of the Company, its financial strength and volume of operations to ensure that its recommendations or implementable from time to time.
2. 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.
3. 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.
4. To address the following items : committee member qualifications; committee member appointment and removal; committee structure and operations; and committee reporting to the Board;
5. To formulate the criteria for evaluation of performance of all the directors on the Board;
6. 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

This policy is framed under the provisions of the Companies Act, 2013 and rules made thereunder and requirements of Clause 49 of the Listing Agreement with the stock exchanges.

In case there is any change in the Act and the listing agreement or any other regulation the provisions of the Act and regulations shall prevail over this policy and the provisions of the policy shall be 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 would be given for approval to the Board.

ANNEXURE-6

MANGEMENT DISCUSSION AND ANALYSIS REPORT

THE INDIAN ECONOMY

The Indian economy is passing through severe recession. The year has witnessed state and central elections. A stable government has been formed in the centre.

BUSINESS OVERVIEW

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

INTERNAL CONTROL SYSTEM AND THEIR ACCURACY

The Company has adequate Internal Control System commensurate with the size and nature of

the business. This system has been designed to ensure that;

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

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

OPERATIONAL AND FINANCIAL PERFORMANCE

The Company has achieved a considerable growth in Total Revenue while meager decline in PBT & PAT in financial performance during the year.

1. Total Revenue

Total Income of the Company for the financial year 2014-15 amounts to Rs.13,99,905.94 which was an increase of 3.27% over last year's figure.

2. Profit before Tax

Profit before tax for the year under review was Rs. 8,64,852.15, a decrease of 12.30% over the last year's figure.

3. Profit after Tax

Profit after Tax for the year under review was Rs.6,84,852.15 which registered a decrease of 12.34% over the last year's figure.

SERVICES

Since the Company

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.

RISK AND CONCERNS

In any business, risks and prospects are inseparable. As a responsible management, the Company's principal endeavor is to maximize returns. The Company continues to take all steps necessary to minimize losses through detailed studies and interaction with experts.

FORWARD LOOKING STATEMENTS

This report contains forward-looking statements based on certain assumptions and expectations of future events. The Company, therefore, cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements can thus differ materially from those projected in any such forward-looking statements.

The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

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

CASH FLOW STATEMENT FOR THE YEAR ENDED : 31ST MARCH ,2015

	2014-15	2013-14
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit / (Loss) before Tax and Extra Ordinary items		
Adjustments for		
Depreciation	864852.00	986235.00
Interest Received	8715.00	9174.00
Dividend Received	(300128.00)	(282268.00)
Profit or Loss on Sale of Investments	(115778.00)	(148296.00)
	(407191.00)	(421390.00)
Operating Profit / (Loss) before working capital changes	457661.00	564845.00
Adjustments for		
Trade and Other Receivable	78666.00	(167667.00)
Trade Payable	(125583.00)	136083.00
	410744.00	533261.00
Cash generated from Operations		
Direct Taxes Paid / Refund Received	(199590.00)	(382466.00)
Net Cash from Operating Activities	211154.00	150795.00
(B) CASH FLOW FROM INVESTMENTS ACTIVITIES		
Sales of Investments		
Purchase of Investments		
Interest Received	300128.00	282268.00
Dividend Received	115779.00	148296.00
Net Cash from Investment Activities	415907.00	430564.00
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Loans Received / (Repaid)		
Interest Paid		
Net Cash used in Financing Activities	627061.00	581359.00
Net Change in cash and cash Equivalents (A + B + C)		
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	3672535.00	3091176.00
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	4299596.00	3672535.00
As per our report attached	4299596.00	

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


(CA PANKAJ JAIN)
PARTNER
MEMBERSHIP NO. 407917



PLACE : RAIPUR
DATE : 13TH JUNE'15


(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

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, 2015, 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. 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, 2015;
- (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.

Our opinion is not qualified / modified.

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, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Companies Act, 2013.

FOR, AGRAWAL SHUKLA & CO.
CHARTERED ACCOUNTANTS



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

(PANKAJ JAIN)
PARTNER

M.NO.407917

Firm Reg. No.326151E

PLACE: RAIPUR
DATED:

AGRAWAL SHUKLA & CO.

CHARTERED ACCOUNTANTS

Head Office :-

129, MAHALAXMI CLOTH MARKET

PANDRI, RAIPUR (CG)

PH. NO.4038192 MOB. 9826733366

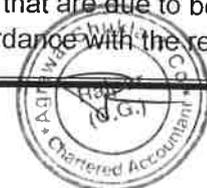
Email : capankaj_jain@rediffmail.com

Pankaj Agrawal, B.Com FCA

Pankaj Jain, M.Com., FCA

**ANNEXURE TO AUDITORS' REPORT ON THE ACCOUNTS FOR THE YEAR ENDED:
31st MARCH, 2015 in terms of The Companies (Auditor's Report) Order, 2015
(Referred to in Paragraph 1 under the heading of "Report on Other Legal and
Regulatory Requirements" of our report of even date)**

- (i)
- a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
- (ii) (a), (b) and (c)
These paragraphs relating to inventory are not applicable since the Company is not maintaining any inventories.
- (iii) 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.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and nature of its business for the purchase of fixed assets and sale of service. During the course of our audit, we have not observed any major weaknesses in internal control system. There is no purchase of inventory or sale of goods.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the CARO 2015 are not applicable to the Company.
- (vi) In view of the nature of its business, the Company is not required to maintain cost records under section 148(1) of the Companies Act, 2013.
- (vii)
- a) According to the records of the Company, the Company has been regular in depositing undisputed statutory dues including Income Tax and other material statutory dues with the appropriate authorities and no undisputed amounts payable in respect thereof were outstanding as at 31st Mar'15 for a period of more than six months from the date of becoming payable.
 - 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.
 - c) According to the records of the Company, there were no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant



provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.

- (viii) The Company does not have any accumulated losses at the end of the financial year. The Company has not incurred any cash losses during the financial year and in the immediately preceding financial year.
- (ix) That the Company is not indebted to Financial Institutions or Banks and there are no comments under this para.
- (x) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
- (xi) According to the information and explanations given to us, the Company has not raised any term loans during the year.
- (xii) In our opinion and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

FOR, AGRAWAL SHUKLA & CO.
CHARTERED ACCOUNTANTS



A handwritten signature in black ink.

(PANKAJ JAIN)
PARTNER

M.NO.40791

Firm Reg. No.326151E

PLACE: RAIPUR
DATED:

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

BALANCE SHEET AS ON 31ST MARCH, 2015

<u>EQUITY AND LIABILITIES</u>		2015	2014
<u>SHAREHOLDERS' FUND</u>			
(a) Share Capital	2	2400000.00	2400000.00
(b) Reserves & Surplus	3	5686755.69	5011403.54
		8086755.69	7411403.54
<u>CURRENT LIABILITIES</u>			
(a) Short Term Provisions	4	4980.00	15070.00
(b) Other Current Liabilities		328478.00	454061.00
	TOTAL	8420213.69	7880534.54
<u>ASSETS :</u>			
<u>NON-CURRENT ASSETS</u>			
(a) Fixed Assets			
(i) Tangible Assets	5	165590.00	174305.00
(b) Non-Current Investments	6	3762006.19	3762006.19
(c) Long Term Loans And Advances	7	5700.00	5700.00
		3933296.19	3942011.19
<u>CURRENT ASSETS :</u>			
(a) Cash and Cash Equivalents	8	4299595.63	3672535.11
(b) Other Current Assets	9	187321.87	265988.24
		4486917.50	3938523.35
		8420213.69	7880534.54
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



(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

PLACE : RAIPUR
DATE : 13TH JUNE'15

HEM HOLDING AND TRADING LIMITED

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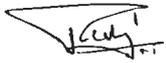
STATEMENT OF PROFIT AND LOSS

For the year ended March 31st			2015	2014
I	Revenue from Operations	10	415905.94	430563.62
II	Other Income	11	984000.00	925000.00
III	Total Revenue (I + II)		1399905.94	1355563.62
IV	Expenses			
	Depreciation	5	8715.00	9174.00
	Other Expenses	12	526338.79	360155.00
	Total Expenses		535053.79	369329.00
V	Profit Before Tax (III – IV)		864852.15	986234.62
VI	Tax Expenses			
	Current Tax		180000.00	205000.00
VII	Profit / (Loss) for the year (V – VI)		684852.15	781234.62
VIII	Earning per equity share ;			
	1 Basic		2.85	3.26
	2 Diluted		2.85	3.26

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 : 13TH JUNE'15



(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 & TRADING LIMITED

NOTE - 1(A)

SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE ACCOUNTS FOR THE F. Y. 2014-15

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 Written Down Value 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**

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

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 or negligible or undeterminable 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 chargeable 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 to be 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 to be provided for based on estimates. Long Term compensated absences are provided for based on actuarial valuation.
- d. Actuarial gains / losses are to be 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 taken by the Company 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 RECEIVABLE & 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 2014-15	Previous Year 2013-14
Net Profit after tax	6,84,852.15	7,81,234.62
Weighted average number of Equity Share	240000	240000
Nominal Value per share	10.00	10.00
Basic and Diluted Earnings Per share	2.85	3.26

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
- Prabha Plantation Pvt. Ltd.
- Sim Prabha Estates and Trading Company Pvt. Ltd.
- Sangam Forgings Pvt. Ltd.
- SEFW Projects Pvt. Ltd.
- Simplex castings Limited
- SSquare Corporate Consultants Pvt. Ltd.
- Sachdeva Sales Pvt. Ltd.
- Cardinal Yacht Builders Private Limited
- Mi Consultants Private Limited
- Mi Productions Private Limited
- RPM Global Solutions Private Limited
- LUXE Yachts Private Limited

Directors:

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

B. Related party transaction:



SR. No.	Nature of transaction	Directors	
		2014-15	2013-14
1.	Sitting Fees	Rs. 24,000.00	18,000.00

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 31.03.2015.

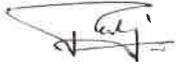
14. There being no dealings with Micro, Small and Medium Enterprises, there are no out standings to such parties.

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 as on 01-04-2014.



16. Significant accounting policies adopted by the Company are disclosed in the statement annexed to these financial statements as Annexure 1(a) above.

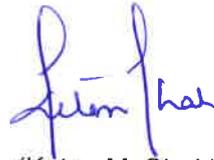
FOR AGRAWAL SHUKLA & CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 326151E



(CA PANKAJ JAIN)
PARTNER
MEMBERSHIP NO. 407917



PLACE : RAIPUR
DATE : 13TH JUNE'15



(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, FAIRLINK CENTRE, OFF ANDHERI LINK ROAD, ANDHERI (W) MUMBAI 400053

EMAIL ID- compliance@hemholdings.com

CIN NO: L65990MH1982PLC026823

NOTES TO FINANCIAL STATEMENTS

Note: 2

<u>Share Capital :</u>	Number	2015(Rs.)	Number	2014(Rs.)
Authorised :	250000.00	2500000.00	250000.00	250000.00
Equity Shares of Rs. 10/- each		2500000.00		250000.00
Issued, Subscribed and fully paid up :				
Equity Shares of Rs. 10/-each				
Reconciliation of Equity Shares outstanding at the beginning and at the end of the year	240000.00	2400000.00	240000.00	2400000.00
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				
Sangeeta Ketan Shah	48102	20.04	48102	20.04
Prabha Plantations Pvt. Ltd.	12000	5.00		
	20443	8.51	20443	8.51

Note: 3

Reserve and Surplus :

	2015 Rs.	2014 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	1183000.00	1023000.00
Transfer from Surplus	160000.00	160000.00
Surplus :	1343000.00	1183000.00
As at April 1 st		
Net Profit for the year	3790003.54	3168768.92
Income Tax Refund for earlier year	684852.15	781234.62
Appropriations for :	4474855.69	3950003.54
Transfer to Special Reserve Fund	160000.00	160000.00
Income Tax Demand/Provision for earlier years	9500.00	
Closing Balance	4305355.69	3790003.54
	5686755.69	5011403.54

Note: 4

CURRENT LIABILITIES

	2015 Rs.	2014 Rs.
(a) Short Term Provisions :		
Provision for Taxation		
(Net of Tax Paid Rs. 175020/-)	4980.00	15070.00
Previous Year Rs. 863430/-		
	<u>4980.00</u>	<u>15070.00</u>
(b) Other Current Liabilities		
Rent Deposit	300000.00	300000.00
Others	28478.00	154061.00
	<u>328478.00</u>	<u>454061.00</u>
TOTAL	333458.00	469131.00



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EMAIL ID- compliance@hemholdings.com
CIN NO: L65990MH1982PLC026823

Note: 5

FIXED ASSETS :

PARTICULRS	GROSS BLOCK (COST)			DEPRECIATION			NET BLOCK		
	AS ON 01/04/2014	ADDITIONS (DEDUCTIONS) DURING THE YEAR	AS AT 31/03/2015	AS AT 31/03/2014	PROVIDED DURING THE YEAR	DEDUCTIONS DURING THE YEAR	UPTO 31/03/2015	AS ON 31/03/2015	AS ON 31/03/2014
Tangible Assets - Premises	834038		834038	659733	8715	-	668448	165590	174305



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

Name of the Company & Funds	Number of Shares / Units /Units		Face Value of each Share	As at 31 st Mar, 2015	As at 31 st Mar, 2014
			(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
ICI Bank Limited	250.00	(250)	10.00	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 Eenergy & 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	60.00	(60)	10.00	63569.39	63569.39
Hindustan Zinc Limited	1000.00	(1000)	2.00	80412.14	80412.14
Reliance Communications Limited	500.00	(500)	10.00	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)	10.00	37220.35	37220.35
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
				3007006.19	3007006.19

II.) Mutual Funds : (Quoted) :

HSBC Midcap Equity Fund Growth Account	3260.92	(3260.92)	15.33	50000.00	50000.00
IDFC Top 200 Fund Growth Account	703.72	(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	(9669.55)	11.89	115000.00	115000.00
SBI Blue Chip Fund	5000.00	(5000)	10.00	50000.00	50000.00
L & T India Special Situation Fund	9779.95	(9779.95)	10.23	100000.00	100000.00
Franklin Templeton India Equity Fund-Dividend	19550.34	(19550.34)	10.23	200000.00	200000.00

(Market Value of Quoted Investments Rs. 55,44,028/- Previous year Rs. 46,84,008/-)

Previous Year's Figures are shown in brackets.				755000	755000
				3762006.19	3762006.19

Note: 7

	2015	2014
Long Term Loans And Advceances :		
Advances recoverable in cash or in kind or value to be received	5700.00	5700.00
	5700.00	5700.00

Note: 8**Cash and Cash Equivalents**

- Balance with Bank	977457.98	666358.46
In Current Accounts	3315807.00	3000000.00
In Fixed Deposits		
- Cash in Hand	4293264.98	3666358.46
	6330.65	6176.65
	4299595.63	3672535.11
includes fixed deposits maturing after 12 months	2200000	800000

Note: 9

Other Current Assets	2015	2014
Dharmendra Mehta	615	
Dividend Receivable	13685.24	13685.24
Interest Receivable	173021.63	252303.00
	187321.87	265988.24



HEM HOLDINGS AND TRADING LIMITED

NOTES TO FINANCIAL STATEMENTS

As on 31st March 2015

NOTE 10.

<u>Revenue from Operations</u>		2015		2014
Dividend		115778.31		148295.62
Interest on Bank Deposits		300127.63		282268.00
		415905.94		430563.62

NOTE 11

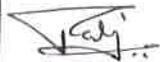
<u>Other Income</u>		2015		2014
Rent		984000.00		925000.00

NOTE 12

<u>Other Expenses :</u>		2015		2014
Rates and Taxes (Premises)		119804.00		79006.00
Repair to premises				
Directors' Fees		24000.00		18000.00
Auditor's Remuneration :		17978.00		17978.00
-Audit Fees	12500.00		12500.00	
- Taxation Matters	3500.00		3500.00	
-Service Tax	1978.00		1978.00	
Professional Fees		132244.00		175535.00
Advertisement		37184.00		32827.00
Postage and Telephones		1943.00		11685.00
Conveyance		4000.00		3063.00
Listing Fees		112360.00		16854.00
Demat Charges		1124.00		562.00
Registration & Renewal Exp.		38202.00		
Tour & Travelling Exp.		6120.00		
Roc Fees		23183.00		
Miscellaneous Expenses		8196.79		4645.00
		526338.79		360155.00

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

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



(CA PANKAJ JAIN)
PARTNER
MEMBERSHIP NO. 407917




(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

PLACE : RAIPUR
DATE : 13TH JUNE'15

HEM HOLDINGS AND TRADING LIMITED

As at 31st March

2015

2014

GROUPINGS

Short Terms Provisions :

(A) Provision for Taxation (Net)

(a) Provision for Taxation (Gross)

AY 2009-2010		16500.00
AY 2010-2011		122000.00
AY 2011-2012		145000.00
AY 2012-2013		180000.00
AY 2013-2014		210000.00
AY 2014-2015		205000.00
AY 2015-2016		180000.00
	(a)	<u>180000.00</u>
		<u>878500.00</u>

Less :

Advance Tax (Including T.D.S.)

AY 2009-2010		11839.00
AY 2010-2011		128032.00
AY 2011-2012		144704.00
AY 2012-2013		177383.00
AY 2013-2014		223240.00
AY 2014-2015		178232.00
AY 2015-2016		175020.00
	(b)	<u>175020.00</u>
		<u>863430.00</u>

Total (a) -(b)	<u>4980.00</u>	<u>15070.00</u>
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Other Current Liabilities

Audit Fees Payable	17978.00	17978.00
Deposits from Ajay Kumar Srivastav	300000.00	300000.00
Apex Advertising		8605.00
PRU Consultants		101124.00
Satisbatra & Associates	9500.00	500.00
Directors Fees Payable		9000.00
TDS Payable	1000.00	16854.00
	<u>328478.00</u>	<u>454061.00</u>

Long Term Loan & Advances

Advances recoverable in cash or in kind
for 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
	<u>5700.00</u>	<u>5700.00</u>



Cash and Cash Equivalents

Fixed Deposits with SBH, Mumbai	3315807.00	3000000.00
State Bank of Hyderabad , Mumbai	475271.77	666358.46
Axis Bank Ltd. ,Bhilai	502186.21	
Cash on Hand	6330.65	6176.65

4299595.63

3672535.11**Other Current Assets**

Dharmendra Mehta	615	
Dividend Receivable	13685.24	13685.24
Interest Receivable	173021.63	252303.00
	187321.87	265988.24

Miscellaneous Expenses

Bank Charges	543.79	400.00
Filing Fees		1500.00
Printing and Stationery	7484.00	1172.00
Interest on Late TDS Payment	40.00	
Meeting Expenses		720.00
Miscellaneous Expenses	129.00	853.00
	8196.79	4645.00



HEM HOLDINGS AND TRADING LIMITED

Revenue from Operations

(a) Dividend

(A) DIVIDEND INCOME

Sr. No.	Name of the Company	Dividend
1	Simplex Castings Limited	24350.00
2	Hindustan Lever Limited	5400.00
3	Oil and Natural Gas Corporation Limited	3780.00
4	Hindalco Industries Ltd. (Fully paid up)	528.00
5	Pfizer (India) Limited	
6	Chambal Fertilizers & Chemicals Limited	1900.00
7	East India Hotels Limited	825.00
8	ICICI Bank Limited	5750.00
9	Sunflag Iron & Steel Co. Limited	
10	Investment & Precision Casting Limited	200.00
11	National Thermal Power Co. Limited	2250.00
12	Ballarpur Industries Limited	300.00
13	Sarda Eenergy & Minerals Limited	300.00
14	Siemens Limited	1200.00
15	State Bank of India Limited	1800.00
16	Hindustan Zinc Limited	3800.00
17	Reliance Communications Limited	
18	Central Bank of India	
19	IDBI Bank Limited	275.00
20	IDFC Limited	1040.00
21	Shri Bajrang Alloys Limited	
22	Tamboli Capital Limited	480.00
		54178.00

(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	
04	L & T Equity Growth Fund	
05	SBI Blue Chip Fund	
06	L & T India Special Situation Fund	34229.83
07	Franklin Templeton India Equity Fund-Dividend	27370.48
		61600.31

TOTAL (A) + (B)

115778.31

(b) **Interest on Bank Deposits**

On Bank Fixed Deposits
(Including TDS Rs. /- 30020)

300127.63

300127.63



HEM HOLDINGS & TRADINGS LTD

I. Equity Shares (Quoted) :

Name of the Company & Funds	Face Value of each Share (Rupees)	Market Value Per Share/Unit as on 31.03.2015 (Rupees)	No. of Units	Market Value as on 31.03.2015
Simplex Castings Limited	10	36.00	48700	1753200
Hindustan Unilever Limited	1	872.90	400	349160
Oil and Natural Gas Corporation Limited	5	306.80	280	85904
Hindalco Industries Ltd. (Fully paid up)	1	129.15	528	68191
Pfizer (India) Limited	10	2230.35	66	147203
Chambal Fertilizers & Chemicals Limited	10	67.50	1000	67500
East India Hotels Limited	2	107.15	750	80363
ICICI Bank Limited	10	315.30	250	78825
Sunflag Iron & Steel Co. Limited	10	23.50	3000	70500
Investment & Precision Casting Limited	10	88.60	400	35440
National Thermal Power Co. Limited	10	147.35	900	132615
Ballarpur Industries Limited	2	13.73	1500	20595
Sarda Eenergy & Minerals Limited	10	124.00	100	12400
Siemens Limited	2	1394.80	200	278960
State Bank of India Limited	10	267.00	60	16020
Hindustan Zinc Limited	2	161.85	1000	161850
Reliance Communications Limited	10	59.30	500	29650
Central Bank of India	10	106.50	96	10224
Reliance Power Limited	10	56.55	25	1414
IDBI Bank Limited	10	71.05	1000	71050
IDFC Bank Limited	10	166.85	400	66740
Shri Bajrang Alloys Limited	10	19.20	1000	19200
Tamboli Capital Limited	10	46.70	800	37360
	TOTAL (A)			3594364
II.) Mutual Funds : (Quoted) :				
HSBC Midcap Equity Fund Growth Account	15.333	37.20	3260.92	121306
HDFC Top 200 Fund Growth Account	138.975	346.25	703.72	243660.24
HSBC Midcap Equity Fund Dividend Payout	12.0511	20.02	12950.955	259257
L & T Equity Fund -Growth -INF677K01031)	11.893	63.38	9669.55	612846.66
SBI Blue Chip Fund	10	28.70	5000	143512.50
L & T India Special Situation Fund-Dividend- INF677K01106	10.225	27.11	9779.95	265095.35
Franklin Templeton India Equity Fund - Dividend	10.23		19550.34	303986.31
	TOTAL (B)			1949664.06
TOTAL	G.TOTAL (A+B)			5544028.06



