

HEM HOLDINGS AND TRADING LIMITED

ANNUAL REPORT
2017-18

MESSAGE FROM THE CHAIRMAN AND MANAGING DIRECTOR



Dear Shareholders

It gives me great pleasures to present to you your Company's Annual Report for FY 2017-18 .

Let us begin with the financial performance of the Company in the FY 2017-18 :

- (a) The total income for the financial year 2017-18 is Rs. 16.32 Lacs as against Rs. 95.34 lacs in previous financial year.
- (b) Profit before tax is Rs. 8.66 lacs in the FY 2017-18 against Rs.88.00 Lacs in previous year .
- (c) Profit After Tax is Rs.8.20 Lacs in the FY 2017-18 against Rs.87.20 lacs in previous financial year .

Frankly, these are disappointing results but your management is preparing roadmap for future growth . From the beginning of FY2018 there has been a totally focused drive on eliminating needless layers and unnecessary costs.

GLOBAL ECONOMY

The global economy is on a rebound. The International Monetary Fund (IMF) estimates indicate that global real GDP grew 3.8% in 2017. This is the highest growth pace over the last six years. It is also the broadest synchronised

global growth upsurge, since 2010 as underlined by IMF.

INDIAN ECONOMY

India's economy is emerging strongly from the transitory effects of demonetisation and implementation of Goods and Services Tax (GST). Although India's GDP growth slowed from 7.1% in FY17 to 6.7% in FY18, the economy recorded a seven-quarter high GDP growth of 7.7% in the exit quarter of FY18. This reflects momentum.

I believe everything is achievable with the right spirit, hard work, energy, commitment, honesty, the right platform and the right strategy.

I 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 K. Shah
(Chairman)

COMPANY INFORMATION

(as on 13/08/2018)

BOARD OF DIRECTORS

Mrs. Sangeeta K Shah Managing Director
Mr. Ketan M Shah Non -Executive Director
Mr. Pankaj Sachdeva Independent Director
Mr. Mehul Nisar Independent Director

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

Mr. Pankaj Sachdeva Chairman
Mr. Mehul Nisar Member
Mr. Ketan M Shah Member

NOMINATION & REMUNERATION COMMITTEE

Mr. Pankaj Sachdeva Chairman
Mr. Mehul Nisar Member
Mr Ketan M 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. PVS Chandra Sekharam

STATUTORY AUDITOR

M/s Taunk & Srikanth

INTERNAL AUDITORS

M/s Deepankar Samaddar & Associates

SECRETARIAL AUDITORS

M/s Divanshu Mittal & Associates

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, Andheri
(West), Mumbai - 400053 (M.H.)

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SUMMARISED FINANCIAL DATA

(Rs. In lakh)

PROFIT & LOSS ACCOUNT	2017-18	2016-17	2015-16	2014-15	2013-14
Revenue from operations	6.36	4.14	4.39	4.15	4.30
Other Income	9.96	91.19	60.29	9.84	9.25
TOTAL INCOME	16.32	95.34	64.69	13.99	13.55
Employee benefits expense	1.00	1.00	0.65	0.00	0.00
Depreciation and amortization expense	0.07	0.07	0.08	0.08	0.09
Other expenses	6.59	6.26	11.85	5.26	3.60
TOTAL EXPENSES	7.66	7.34	12.59	5.35	3.69
PROFIT BEFORE TAX	8.66	88.00	52.09	8.64	9.86
Current Tax expense	0.46	0.80	0.11	1.80	2.05
Net Profit after tax	8.20	87.20	51.98	6.84	7.81
EARNING PER SHARE (BASIC/DILUTED)	3.42	36.33	21.66	2.85	3.25
EXTRACT FROM BALANCE SHEET					
Share Capital	24.00	24.00	24.00	24.00	24.00
Reserve & Surplus	204.30	196.09	108.86	56.86	50.11
Net Fixed Assets	1.41	1.49	1.57	1.65	1.74
Non-Current Investment	220.95	210.95	88.93	37.62	37.62
Cash & Cash Equivalent	8.30	10.39	41.36	42.99	36.72
OTHER FINANCIAL DATA					
TURNOVER (Rs. In Lakhs)	16.32	95.34	64.69	13.99	13.55
BOOK VALUE PER SHARE (Rs.)	95.12	91.70	55.09	33.69	30.88
NETWORTH (Rs. In Lakhs)	228.30	220.09	132.21	80.86	74.11

NOTICE

Notice is hereby given that the 36th Annual General Meeting (AGM) of the shareholders of Hem Holdings And Trading Limited will be held on Friday, 21st September, 2018 at 4:00 pm, at Registered office of the Company situated 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, 2018 together with Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs Sangeeta Ketan Shah (DIN:05322039) who retires by rotation and being eligible offer herself for re-appointment.
3. To consider and if thought fit ,to pass with or without modifications ,the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to Section 139,141,142 and other applicable provisions of the Companies Act, 2013 (including any re-enactment(s) or modification(s) thereof), any other applicable provisions of the Act and rules made thereunder, M/s Taunk & Srikanth, Chartered Accountants (Firm Registration No. 001524C), be and are hereby appointed as Statutory Auditors of the Company for the five year to hold office from the conclusion of the 36th Annual General Meeting till the conclusion of 41st Annual General Meeting to be held in the Calendar year in 2023, at such remuneration as may be determined by the Board of Directors or any Committee thereof in addition to reimbursement of any out of pocket Expenses that may be incurred by the Auditors during the course of the audit.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:**

“**RESOLVED THAT** pursuant to Section 196 &197 of Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and rules & regulations made there under, approval of the members of the Company be and is hereby accorded to the change in designation of Mrs Sangeeta Ketan Shah (DIN:05322039) from Chairman and Non-Executive Director to Chairman and Managing Director of the Company, with effective from 26th April, 2018 on the terms and Conditions mentioned in Explanatory Statement and minimum remuneration in the event of absence or inadequacy of profits as set out in the explanatory statements relating to this resolution and in the draft agreement entered between the Company and Mrs Sangeeta Ketan Shah.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized by the Board on behalf of Company to do all such acts , deeds, resolutions and things and execute all such agreement, documents and instruments as may be required from time to time for giving effect to the above resolution and matter related thereto.”

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:**

“**RESOLVED THAT** pursuant to the provisions of Section 152 of Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and rules & regulations made there under, approval of the members of the Company be and is hereby accorded to the change in designation of Mr. Ketan Moolchand Shah (DIN:00312343) from Executive Director to Non-Executive Director of the Company, liable to retire by rotation of Directors, effective from 26th April, 2018 on such terms and conditions as per letter of appointment given to Mr. Ketan Moolchand Shah by the Company.

RESOLVED FURTHER THAT any Director of the Company be and is hereby authorised to

file the necessary e-forms with the Registrar of Companies, Mumbai and to do all such acts and deeds as may be required to give effect to the above resolution.”

By Order of the Board of Directors

For, Hem Holdings And Trading Ltd

**(Varsha Sahbani)
Company Secretary and Compliance officer**

Date:13.08.2018

Place: Bhilai

NOTES:

a) An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of special businesses set out in the Notice, wherever applicable, is annexed hereto.

b) 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.

c) 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.

d) 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, pursuant to section 113 of the Companies Act, 2013, authorising their representative to attend and vote on their behalf at the AGM.

e) The Register of Members and Share Transfer Books of the Company will be closed from 15th September, 2018 to 21st September, 2018 (both days inclusive).

f) 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.

g) As a measure of economy, 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.

h) As per Listing Regulations, for securities market transactions and/or for off-market or private transactions involving transfer of shares in physical form, the transferee(s) as well as transferor(s) (including joint holders) shall furnish copy of PAN card to the Company for registration of such transfer of securities. Accordingly, all the shareholders/ transferor(s) / transferee(s) of shares (including joint holders) in physical form are requested to furnish a certified copy of their PAN Card to the Company/ RTA while transacting in the securities market including transfer, transmission or any other corporate action.

i) Electronic copy of the Annual Report for F.Y. 2017-18 along with Notice of the 36th 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. 2017-18 along with Notice of the 36th Annual General Meeting of the Company, Attendance Slip and Proxy Form is being sent in the permitted mode.

j) Members may also note that Annual Report for F.Y 2017-18 will also be available on the Company's website www.hemholdings.com for download.

k) The shares of the Company are under compulsory Demat trading. Members holding shares in physical form are requested to convert their shares into dematerialized form in their own interest and convenience purpose.

l) Shareholders/Proxies are requested to produce at the Registration Counter(s) the attendance slip sent along with the Annual Report 2017-18, duly completed and signed, for admission to the meeting hall.

However, in case of non-receipt of attendance slip, members may download the same from Company's website www.hemholdings.com or write to the Company at its Registered Office for issuing the duplicate attendance slip.

A Route Map for easy location to reach the venue of Annual General Meeting is attached as Annexure-I with the notice of Annual General Meeting.

m) The cut-off date for the purpose of remote e-voting and voting at the AGM shall be 14th September, 2018. Please note that members can opt for only one mode of voting i.e., either by voting at the meeting or e-voting. If Members opt for e-voting, then they should not vote at the Meeting and vice versa. However, once an e-vote on a resolution is cast by a Member, such Member is not permitted to change it subsequently or cast the vote again. Members who have cast their vote by remote e-voting prior to the date of the Meeting may also attend the Meeting and participate in the Meeting, but shall not be entitled to cast their vote again.

n) Members holding shares in physical form and desirous of making a nomination or cancellation/variation in nomination already made in respect of their shareholding in the Company, as permitted under Section 72 of the Act, are requested to submit to the RTA of the Company the prescribed Form SH.13 for nomination and Form SH.14 for cancellation/ variation, as the case may be. The Forms can be downloaded from Company's website www.hemholdings.com. Members holding shares in demat mode may contact their respective Depository Participant for availing this facility.

o) Voting through electronic means

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Company is pleased to provide its members the facility of 'remote e-voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote at the 36th Annual General Meeting. The business may be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL).

The Company has appointed Mr Divanshu Mittal of Divanshu Mittal & Associates, Practicing Company Secretary as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.

The instructions to members for voting electronically are as under:-

- (i) The voting period begins on Tuesday, 18th September, 2018 at 9.00 a.m and ends on Thursday, 20th September, 2018 at 5.00 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) i.e 14th September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) 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	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> 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.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both 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).

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Hem Holdings and Trading Limited> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.

- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) 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 linked in the login 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.

- (xx) 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.

(xxi) 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.

(xxii) 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.

p) Details of Directors seeking appointment and 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 as per **Annexure- II**.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The statement pursuant to section 102(1) of the Companies Act , 2013 for Item no 4 & 5 of the accompanying notice is as under:

ITEM NO. 4:

The members are apprised that Mrs. Sangeeta Ketan Shah who was appointed as Non-Executive director cum Chairman of the

Company w.e.f 18th March, 2014, in the Annual General meeting held on 27th September, 2014 has shown her willingness to act as Managing Director cum Chairman of the Company.

The Board of Director in its meeting held on 26th April, 2018, after considering vast experience of Mrs. Sangeeta Ketan Shah in the fields of administration of Commercial and Financial Functions, Industrial Relations, Human Resources and Legal Competence, has decided to avail the expertise of Mrs. Sangeeta K Shah on regular basis. Hence, the committee and the Board has proposed to appoint her as Managing Director cum Chairman of the Company at a fixed Remuneration Rs 1,20,000 per annum and on such other terms and conditions as per Letter of Appointment given to Mrs. Sangeeta Ketan Shah by the Company. The appointment of Mrs. Sangeeta Ketan Shah as such shall take effect from 26th April, 2018 upto 25th April 2023 and require approval of Shareholders of the Company by way of Special Resolution passed in General Meeting as per provision of Section 152, 196, 197 and other applicable provisions, if any, of the Companies Act, 2013.

None of the Directors and or/Key Managerial Personnel of the Company and their relatives, except Mrs. Sangeeta Ketan Shah and their relatives, are in any way concerned or interested in the proposed appointment of Mrs. Sangeeta Ketan Shah as Managing Director cum Chairman of the Company.

The Directors recommend the aforesaid resolution for the approval by the members as Special Resolution.

ITEM NO. 5:

The members are apprised that Mr Ketan M Shah who was appointed as Executive director of the Company w.e.f 29th January, 2011 and ratified by members in the Annual General Meeting held on 17th September, 2011 has shown his willingness to act as Non-Executive Director of the Company.

The Board of Director in its meeting held on 26th April, 2018, considered his request and approved the change in designation of Mr. Ketan M Shah from Executive Director to Non-Executive

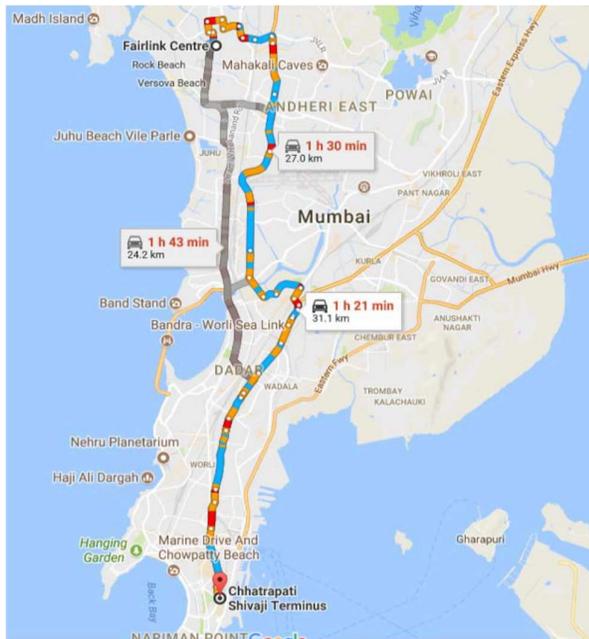
Director of the Company on such terms and conditions as specified in Letter of Appointment given to Mr. Ketan M Shah by the Company. The appointment of Mr. Ketan M Shah as such shall take effect from 26th April, 2018 for five years and require approval of Shareholders of the Company by way of Special Resolution passed in General Meeting as per provision of Section 152 and other applicable provisions, if any, of the Companies Act, 2013.

None of the Directors and or/Key Managerial Personnel of the Company and their relatives, except Mr. Ketan M Shah and their relatives, are in any way concerned or interested in the proposed appointment of Mr. Ketan M Shah as Non-Executive Director of the Company.

The Directors recommend the aforesaid resolution for the approval by the members as Special Resolution.

Annexure-I

ROUTE MAP TO THE VENUE OF THE 36TH AGM OF HEM HOLDINGS AND TRADING LIMITED TO BE HELD ON 21ST SEPTEMBER, 2018



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

Expertise in specific functional area :	Industrialist	Industrialist
Years of Experience :	15 Years	29 Years
Qualification :	MBA	B.E (Mech) & MBA
Directorship in Other Companies :	4	4
Member/Chairman of the Committee on other Board :	1	0
No. of Shares Held :	35800 Nos (14.92%)	51702 Nos (21.54%)
Relationship with other Directors and KMP :	Mr Ketan M Shah and Mrs Sangeeta K Shah are related to each other.	Mr Ketan M Shah and Mrs Sangeeta K Shah are related to each other.
Recognition/awards :	-	-
Number of Board Meetings attended during FY 2017-18:	4/4	4/4

Annexure – II

Brief Profile of Appointee:

	Sangeeta K Shah	Ketan M Shah
Fathers' Name :	Late Mr. Mohit Gopal Ghosh	Late Mr Moolchand R Shah
Date of Birth :	14/11/1977	02/12/1965
First Appointment on Board :	18/03/2014	29/01/2011

DIRECTORS' REPORT

Dear Members,

Your directors are pleased to present their 36th Annual Report and Accounts of your Company for the year ended on 31st March, 2018.

FINANCIAL RESULTS

	31st March, 2018	31st March, 2017
Total Income	16,32,842.43	95,34,252.38
Total Expenses	7,66,524.57	7,34,223.12
Profit before tax	8,66,317.86	88,00,029.26
Less: Current Tax	46,000.00	80,000.00
Profit after tax	8,20,317.86	87,20,029.26

PERFORMANCE REVIEW :

The Total Income for the Financial Year 2017-18 is Rs. 16.33 lacs as against Rs. 95.37 lacs in previous year. Profit before tax for the financial year 2017-18 is reduced to Rs.8.66 lacs as against Rs.88.00 lacs for previous financial year and Profit after Tax is Rs.8.20 lacs against Rs. 87.20 lacs for previous financial Year.

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

RESERVES

The Company has not transferred any amount to Reserves during Financial Year 2017-18.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed report on Management Discussion and Analysis in terms of the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided as a separate chapter in the annual report.

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 AND KMP

In accordance with the provisions of the Companies Act, 2013, Mrs Sangeeta Ketan Shah,

Hem Holdings and Trading Limited

Director of the Company retires by rotation at the 36th Annual General Meeting and being eligible offer herself for re-appointment. Your directors recommend her appointment.

The Board has approved the Change of Designation of Mrs Sangeeta K Shah from Non Executive Director to Managing Director and Mr Ketan M Shah from Executive to Non-Executive Director in their meeting held on 26th April, 2018 and seeking members consent in the AGM scheduled to be held on 21st September, 2018.

Mr PVS Chandra Sekharam has appointed as Chief Financial Officer of the Company with effect from 13th August, 2018 in place of Mr Manoj Kumar Singh who resigned from the Company as Chief Financial Officer w.e.f 26th April, 2018.

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.

FAMILIARISATION PROGRAMME OF INDEPENDENT DIRECTORS

The Company conducts the Familiarization Programme for the Independent Directors to provide them an opportunity to familiarize with the Company, its Management and its operation so as to gain a clear understanding of their roles,

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rights and responsibilities and contribute significantly towards the growth of the Company.

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.

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

There are no material changes or commitments occurring after 31st March, 2018, which may affect the financial position of the Company or may require disclosure.

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 has not accept any deposit within the meaning of Section 73 and Section 74 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rule, 2014 including any statutory modification(s) or re-enactment(s) for the time being in force).

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. A separate statement on Corporate Governance together with the certificate from the Auditor of the Company regarding compliance of conditions of corporate Governance as stipulated under SEBI(Listing Obligation and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

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

NUMBER OF MEETINGS OF THE BOARD

The following Meetings of the Board of Directors were held during the Financial Year 2017-18:

Sr. No	Date of Meeting	Board Strength	No. of Directors Present
a)	27.05.2017	04	03
b)	11.08.2017	04	03
c)	13.11.2017	04	03
d)	12.02.2017	04	04

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirement under Section 134(3)(c) of the Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) the Directors of the Company confirm that:

- a. In the preparation of the annual accounts for the year ended 31st March, 2018, the applicable accounting standards and schedule III of the Companies Act, 2013 have 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, 2018 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 annual accounts have been prepared on a going concern basis;

- e. Proper internal financial controls laid down by the directors were followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f. Proper systems to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

BOARD AND COMMITTEES

The details of the meetings of Board of Directors and its Committees, convened during the Financial Year 2017-18 are given in the Corporate Governance Report which forms the part of this report.

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 outflow of foreign exchange.

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.

DISCLOSURE ON AUDIT COMMITTEE

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

The Board has accepted all recommendation made by the Audit committee made during the year.

INTERNAL FINANCIAL CONTROL

The Company has an adequate Internal Control System, commensurate with its size, scale and

operations to ensure proper recording of financial and operational information and compliance of various internal control and other regulatory and statutory compliance. During the year no reportable material weakness in the design or operation were observed.

STATUTORY AUDITORS

As per the provision of Section 139(2) of the Companies Act, 2013, an audit firm appointed as auditor of the company cannot hold office as Auditor of the Company for more than 2 terms of 5 consecutive years each. As the statutory tenure of 5 Years of M/s Agrawal Shukla & Co. Chartered Accountants (Firm regd no.326151E) to continue as auditor has ended, the Board of Directors on recommendation of Audit committee have appointed M/s Taunk & Srikanth, Chartered Accountants (Firm Redg no. 001524C) as Statutory Auditor of the Company for a period of 5 years i.e . from the conclusion of 36th AGM to the 41th Annual General Meeting. Under Section 139(2) of the Companies Act, 2013, they have furnished the certificate of their eligibility for appointment. Resolution proposing appointment forms part of the Notice for ensuing AGM.

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 31stMarch, 2018 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.

EXTRACT OF ANNUAL RETURN

The details forming the part of the extract of Annual return as on 31st March, 2018 in form MGT-9 in accordance with Section 92(3) of the Company Act, 2013 read with Companies

(Management and Administration) Rule, 2014 is annexed herewith as **Annexure-II** to this report.

RELATED PARTY TRANSACTIONS

There is no materially significant Related Party Transaction made by the Company during the year that would require shareholders approval under the Listing Regulations.

Details of the transaction with Related Parties are provided in accompanying financial statement. There was no transaction during the year which would require to be reported in form no. AOC-2.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the Financial Year 2017-18, no Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 was made by the Company. Details of the Loan, Guarantees and Investments are given in Notes to the Financial Statements.

CHANGE IN CAPITAL STRUCTURE AND LISTING OF SHARES

Presently the Company's shares are listed on the Bombay Stock Exchange (BSE). There are no changes in Capital Structure during the F.Y ended 31st March, 2018. Your company has not issued equity shares with differential rights as to dividends, voting or otherwise, and does not have ESOP scheme for its employees/Directors.

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 re-enactment(s) for the time being in force). In accordance with the provision of Section 152 of the Companies Act, 2013, none

of Independent Director is liable to retire by rotation.

PERFORMANCE EVALUATION OF THE BOARD ,ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Meeting the requirements of the statute and considering Boards Performance evaluation as an important step for a board to transit to a higher level of performance, the Nomination and Remuneration Committee has laid down a comprehensive framework for carrying out the evaluation prescribed in 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

A Vigil Mechanism Policy for Directors and employee of the Company is constituted as per Section 177 (9) & (10) of the Companies Act, 2013 and Clause 49 of the Listing agreements with the Stock Exchanges Company, to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on rising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and report etc.

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

(c) 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 wishes to express its gratitude and record their appreciation for the commitment and dedicated efforts put in by all the employees. Your director take this opportunity of expressing the assistance and co-operation extended to 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:13.08.2018

Annexure-I

FORM NO- MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED
31.03.2018

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

TO
THE MEMEBRS
HEM HOLDINGS AND TRADING LIMITED
 601/602A, FAIRLINK CENTRE,
 OFF ANDHERI LINK ROAD,
 ANDHERI (WEST),
 MUMBAI, M.H 400053

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

Based on my verification of the **HEM HOLDINGS AND TRADING LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st Day of March, 2018, 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 herein after:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **HEM HOLDINGS AND TRADING LIMITED** for the Financial Year ended on 31st Day of March, 2018 according to the provisions of:

1. The Companies Act, 2013 (the Act) as well as the Companies Act, 1956 and the rules made there under ;
2. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
3. The Depositories Act, 1996 and the regulations and Bye-Laws framed thereunder;
4. 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;

I have also examined compliance with the applicable clause of the following:

- i. Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- ii. The Listing Agreements entered into by the Company with the Bomday Stock Exchange;
- iii. Securities and Exchange Board of India (Listing obligation and Disclosure requirements) Regulations, 2015;
- iv. The Reserve Bank of India, Regulations in context of NBFC's
- v. The Income Tax Act, 1961;

I have not examined Financial Laws and necessary Rules, as the same has been audited

by other independent Professionals.

I 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 is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting .

All decisions at the Board Meetings and Committees 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.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules , regulations and guidelines as mentioned above.

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

FOR, DIVANSHU MITTAL & ASSOCIATES

**(DIVANSHU MITTAL)
COMPANY SECRETARIES
M. NO. FCS: 8703
CP NO.:13800**

DATE: 22ND MAY, 2018

PLACE: JAIPUR

Annexure-II

EXTRACT OF ANNUAL RETURN (Form No. MGT-9)									
As on the Financial Year ended on 31.03.2018									
[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 BAHADUR 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			-			61%		
2	DIVIDEND & INTEREST			-			39%		
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	NO. OF SHARES AT THE BEGINNING OF THE YEAR				NO. OF SHARES AT THE END OF THE YEAR				% CHANGE DURING THE YEAR
CATEGORY OF SHAREHOLDERS	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
A. Promotors									
(1) Indian	87,502	0	87,502	36.46%	87,502	-	87,502	36.46%	-

(a) Individual/ HUF	0	-	-	0.00 %	-	-	-	0.00%	-
(b) Central Govt	0	-	-	0.00 %	-	-	-	0.00%	-
(c) State Govt.	0	-	-	0.00 %	-	-	-	0.00%	-
(d) Body Corporate	23,043	0	23,043	9.60 %	23,043	-	23,043	9.60%	-
(e) Banks/ FI	0	-	-	0.00 %	-	-	-	0.00%	-
(f) Any other	0	-	-	0.00 %	-	-	-	0.00%	-
Subtotal (A) (1) :	110,545	0	110,545	46.0 6%	110,545	-	110,545	46.06 %	-
(2) Foreign	0	-	-	0.00 %	0	-	-	0.00%	-
(a) NRI Individual	0	-	-	0.00 %	0	-	-	0.00%	-
(b) Other Individual	0	-	-	0.00 %	0	-	-	0.00%	-
(c) Body Corporate	0	-	-	0.00 %	0	-	-	0.00%	-
(d) Banks/ FI	0	-	-	0.00 %	0	-	-	0.00%	-
(e) Any other	0	-	-	0.00 %	0	-	-	0.00%	-
Subtotal (A) (2) :									-
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	110,545	0	110,545	46.0 6%	110545	-	110,545	46.06 %	-
B. Public Shareholding									
(1) Institutions	0	-	-	0.00%	0	-	-	0.00%	-
(a) Mutual Fund	0	-	-	0.00%	0	-	-	0.00%	-
(b) Banks/ FI	0	-	-	0.00%	0	-	-	0.00%	-
(c) Central Govt	0	-	-	0.00%	0	-	-	0.00%	-
(d) State Govt (s)	0	-	-	0.00%	0	-	-	0.00%	-
(e) Venture Capital Fund	0	-	-	0.00%	0	-	-	0.00%	-
(f) Insurance Companies	0	-	-	0.00%	0	-	-	0.00%	-
(g) FII	0	-	-	0.00%	0	-	-	0.00%	-
(h) Foreign Venture Capital	0	-	-	0.00%	0	-	-	0.00%	-
(i) Funds other (Specify)	0	-	-	0.00%	0	-	-	0.00%	-
Subtotal (B) (1) :	0	-	-	0.00%	0	-	-	0.00%	-
(2) Non-Institutions									
(a) Body Corporate									

i) Indian	0	-	-	0%	0	-	-	0%	-
ii) Overseas	0	-	-	0%	0	-	-	0%	-
(b) Individuals									
i) holding nominal shares capital upto 2 lakh	60,853	68,602	129,455	53.94%	60853	68,602	129,455	53.94%	-
ii) holding nominal shares capital in excess of 1 lakh	0	-	-	-	-	-	-	-	-
(c) HUF									
Subtotal (B) (2)	60,853	68,602	129,455	53.94%	60853	68,602	129,455	53.94%	-
Total Public Shareholding (B) = (B)(1)+(B)(2)	60,853	68,602	129,455	53.94%	60853	68,602	129,455	53.94%	-
C. Shares held by Costodian for GDRs & ADRs	0	-	-	0%	0	-	-	0%	-
Grand Total (A+B+C)	171,398	68,602	240,000	100%	171,398	68,602	240,000	100%	-

(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	35,800	14.92%		35,800	14.92%		0.0%
	TOTAL PROMOTER SHAREHOLDING	110,545	46.06%	-	110,545	46.06%	-	0.0%

(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	35,800	14.92%	35,800	14.92%	No Change
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):

Sl 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.	UJVAL ROBIN DUTTA	2300	0.958%		0.958%

				2300	
05.	UTPAL DUTTA	2300	0.958%	2300	0.958%
06	SHANKAR TARAFDAR	2300	0.958%	2300	0.958%
07.	ASRAF ALI	2300	0.958%	2300	0.958%
08.	RANJEET SINGH	2250	0.937%	2250	0.937%
09.	PRADEEP KUMAR DHURVE	2200	0.916 %	2200	0.916%
10.	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	35,800	14.92%	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				
iii) Interest due but not paid				

Total (i+ii+iii)	
------------------	--

VI. REMUNERATION OF DIRECTORS

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN	Particulars of Remuneration	Name of MD/WTD/ Manager	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission - as % of profit - others, specify		
5	Others, please specify		
	Total (A)		
	Ceiling as per the Act		

B. Remuneration to other Directors (Rs in Lacs)

SN	Particulars of Remuneration	Mrs Sangeeta K Shah	Mr Pankaj Sachdeva	Mr Mehul Nisar	Total Amount
1	Independent Directors	0.04	0.04	0.01	0.09
	Fee for attending board committee meetings				
	Commission				
	Others, please specify				
	Total (1)	0.04	0.04	0.01	
2	Other Non-Executive Directors				
	Fee for attending board committee meetings				
	Commission				
	Others, please specify				
	Total (2)				
	Total (B)=(1+2)	0.04	0.04	0.01	0.09

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD (Rs in Lacs)

SN	Particulars of Remuneration	Mrs Varsha Sahbani	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.00	1.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission - as % of profit - others, specify		
5	Others, please specify		
	Total	1.00	1.00

**VII. PENALTIES / PUNISHMENT /
COMPOUNDING OF OFFENCES:**

There were no penalties, punishments or compounding of offences during the year. ended 31st March, 2018

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.

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

Composition of the Board

The Company has a judicious Combination of Executive and Non-Executive Directors. As on 31st March, 2018, the Board comprised of 4 Directors out of which one is Executive Director, one is Non -Executive Director and two are Independent Directors. The Board Composition is in conformity with the Listing Regulations and the Companies Act, 2013 ('the Act').

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 performance evaluation of Chairman and Managing Director and Executive Directors were carried out by Independent Directors. The Directors expressed their satisfaction with the evaluation process.

Hem Holdings and Trading Limited

Number of Meetings of the Board

the following meetings of the board of directors were held during the Financial Year 2017-18:

<i>Sr. No</i>	<i>Date of Meeting</i>	<i>Board Strength</i>	<i>No. of Directors Present</i>
a)	27.05.2017	04	03
b)	11.08.2017	04	03
c)	13.11.2017	04	03
d)	12.02.2018	04	04

Separate Meeting of the Independent Directors

During the year under review, the Independent Directors met on 12th February, 2018, 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.

Familiarization Programme

At the time of appointment of Directors a formal letter of appointment is given to director, which *inter alia* explains the role, function, duties and responsibilities expected from him as a Director of the Company. The Chairman & Managing Director also has one to one discussion with a newly appointed Director to familiarize him with the Company's operations. During the year, the familiarization programme was held on 12th February, 2018.

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, 2018 are given below:

Sl. No	Name of the Director	Attendance at meeting during 2017-18		No of other Director ship(s) as on 31-03-2018 *	No. of other Board Committees member/ Chairman	No of Shares	Category
		Board Meeting	AGM				
1.	Mr. Ketan M Shah**	4/4	Yes	4	-	51702(21.54%)	Promoter/Executive Director
2.	Mrs. Sangeeta K Shah**	4/4	No	4	1	35800 (40.92%)	Promoter/Non-Executive Director
3.	Mr Pankaj Sachdeva	4/4	No	1	-	Nil	Independent Director
4.	Mr. Mehul Nisar	1/4	Yes	5	-	Nil	Independent Director

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

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

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

During the Financial Year 2017-18, the Audit Committee met four times on 27.05.2017, 11.08.2017, 13.11.2017 and 12.02.2018.

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, 2018 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	1/4
Mrs Sangeeta K Shah	Non-Executive Director	4/4

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.

The committee met once during the year on 12.02.2018. 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 2017-18 is detailed below:

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

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

Policy on Director's appointment and remuneration

The policy on Nomination and Remuneration Committee of Directors is also attached with Directors Report.

Mr Ketan M Shah hasn't withdrawn any remuneration during the FY 2017-18.

Details of sitting fees paid to Directors for the Financial Year ended 31st March ,2018:

Name of Director	Sitting Fees
Mrs Sangeeta K Shah	Rs 4000
Mr Ketan M Shah	Nil
Mr Pankaj Sachdeva	Rs 4000
Mr Mehul Nisar	Rs 1000
Total	Rs 9,000

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 2017-18.

As on 31st March, 2018, 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 K Shah	Member	Non- Executive Director

The committee focuses primarily on monitoring expeditious redressal of investors/ stakeholders grievances and also functions 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 three years AGM were held at registered office of the Company.

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

AGM	Year ended 31 st March	Date	Time
33 rd	2015	28/09/2015	03.00pm.
34 th	2016	27/09/2016	03.00pm.
35 th	2017	28/09/2017	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 2017-18, 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.

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 was in conflict with the Company's interest therefore disclosure of AOC-2 is not required.

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.

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 with Mandatory and Non-Mandatory Requirements

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

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.

Website

The Company ensures dissemination of applicable information under Regulation 46(2) of the Listing Regulations on the Company's website (www.hemholdings.com).

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.. All the Board members and senior Management Personnel have affirmed their compliance with the said code of conduct for the financial year 2017-18. The declaration to this effect signed by Mrs. Sangeeta K Shah, Managing 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.

GENERAL SHAREHOLDER'S INFORMATION

36th Annual General Meeting	
Date	21.09.2018
Time	4.00 P.M
Venue	601/602A, Fairlink Center, Off Andheri Link Road, Andheri (W), Mumbai- 400 053.
Financial Calendar	
Financial year	1 st April 2017 to 31 st March 2018
Tentative Schedule for declaration of	

results during the Financial Year 2018-19	
Unaudited First Quarter Results	On or Before 14 th August, 2018
Unaudited second Quarter Results	On or Before 14 th November, 2018
Unaudited Third Quarter Results	On or Before 14 th February, 2019
Unaudited Fourth Quarterly Results	On or before 30 th May, 2019
Date of Book Closure	15th September ,2018 to 21 st September, 2018 (both days inclusive)
Dividend Payment Date	NA
Listing	Bombay Stock Exchange
Security Code	505520
Trading Symbol	ZHEM
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 2017-18.

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.

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, 2018.

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

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 ShareTransfer Agent.

Distribution of Shareholding as on 31.03.2018:

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 31.03.2018:

Sr. No	Category	No of Shares	% Shareholding
1	Promoter & Promoter group:		
(I)	Individual / HUF	87502	36.46%
(II)	Bodies Corporate	23043	9.60%
	Total:	110545	46.06%
2	Public Shareholding:		
(a)	Individual shareholders holding nominal share capital upto Rs 2 Lakh	129455	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 – 400 083 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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MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Hem Holdings and Trading Limited is one of the certified non-deposit accepting (Category-B) NBFC business institution from Reserve Bank of India engaged in investments and other investment advisory financial services. Hem Holdings and trading limited since 1980 has been engaged in providing quality services in field of Investment and buying, selling, underwriting, investing, acquire and hold securities of every kind whether issued by Companies operating within India or outside. Your Company is also engaged in serving financial services to Entrepreneurs and Property Portfolio.

GLOBAL ECONOMY

The global economy is on a rebound. The International Monetary Fund (IMF) estimates indicate that global real GDP grew 3.8% in 2017. This is the highest growth pace over the last six years. It is also the broadest synchronised global growth upsurge, since 2010 as underlined by IMF.

THE INDIAN ECONOMY

India's economy is emerging strongly from the transitory effects of demonetisation and implementation of Goods and Services Tax (GST). Although India's GDP growth slowed from 7.1% in FY17 to 6.7% in FY18, the economy recorded a seven-quarter high GDP growth of 7.7% in the exit quarter of FY18. This reflects momentum. India's macroeconomic indicators remain healthy. The fiscal deficit has been cut to 3.5% of GDP. India's foreign exchange reserves at March end stood at a comfortable level of \$424 Billion. Investors seem to be positive on India's economic prospects. The Foreign Direct Investment (FDI) flows continue to be encouraging. India's global ranking on the ease of doing business notched up to 100 from 142 in barely four years, while that on global competitiveness index has climbed from 71st in FY 15 to 39th in FY 17. The prevailing sense of optimism accentuates India's continuing economic growth in future as well.

OUTLOOK

The outlook for India remains largely positive, reinforced by robust private consumption and public investment, as well as the ongoing structural reforms. Global demand has been improving, which should encourage exports and fresh investments.

India's GDP is expected to reach US\$ 6 trillion by FY 2027 owing to consistent reforms, digitisation, globalisation and favourable demographic conditions. Over the next 10-15 years, India is expected to be among the top three economic powers, backed by its strong democracy and partnerships. Government initiatives for infrastructure development, emphasis on creation of smart cities and focus on affordable housing programme is likely to bolster India's industrial development. The GDP growth of the country is estimated to rise to 7.4% in FY 2018-19.

FUTURE PROSPECTUS

The Management is preparing a proper roadmap for future prospectus including value creation for Company.

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, destructive and unauthorized use.
- b. All resources are used efficiently.
- 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 the policies and statutory requirements. The top management and the Audit Committee review the findings and recommendations in the Internal Audit Report,

so that the corrective measures can be initiated as appropriate.

RISK CONCERN

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.

OPERATIONAL AND FINANCIAL PERFORMANCE

The total income for the financial year 2017-18 is Rs. 16.32 Lacs as against Rs. 95.34 lacs in previous financial year.

Profit before tax is Rs. 8.66 lacs in the FY 2017-18 against Rs.88.00 Lacs in previous year .

Profit After Tax is Rs.8.20 Lacs in the FY 2017-18 against Rs.87.20 lacs in previous financial year .

FORWARD LOOKING STATEMENTS

Statements in the Management Discussion and Analysis Report describing the Company's objective, projections, estimates, expectations may be "forward looking statements" within the meaning of applicable securities law and Regulations. Actual results may differ materially from those expressed and implied. Important factors that could make a difference to the Companies operation include economic conditions affecting demand/supply and price conditions in the domestic and overseas market in which the company operates, change in government regulations, tax laws and other statues and incidental factors.

AGRAWAL SHUKLA & CO.**CHARTERED ACCOUNTANTS**

HEAD OFFICE
129, MAHALAXMI CLOTH MARKET
PANDRI, RAIPUR (C. G.)
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, 2018, 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, 2015 ("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, 2018;
- 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, 2016 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, 2015.
 - e. On the basis of written representations received from all the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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 Auditors' 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 derivatives 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.

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



**(PANKAJ JAIN)
PARTNER
M.NO. 407917
Firm Reg. No.326151E**

**PLACE: RAIPUR
DATED: 28.05.2018**

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 AUDITORS' REPORT**

The annexure referred to in Independent Auditors' report to the members of the company on Standalone financial statements for the year ended 31st March, 2018, 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, 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 records of the Company, amounts deducted/accrued in the books in respect of undisputed statutory dues including Income Tax, Sales Tax (VAT), 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, 2018. 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, 2018. 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 required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

FOR, AGRAWAL SHUKLA & CO.
CHARTERED ACCOUNTANTS



(PANKAJ JAIN)
PARTNER
M.NO.407917

Firm Reg. No.326151E

PLACE: RAIPUR
DATED: 28.05.2018

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 HOLDING AND TRADING LIMITED
on the accounts of the company for the year ended 31st March, 2018]**

We have audited the internal financial controls over financial reporting of **HEM HOLDING AND TRADING LIMITED** (“the Company”) as of March 31, 2018 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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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, 2018 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**



**(PANKAJ JAIN)
PARTNER**

M.NO. 407917

Firm Reg. No.326151E

**PLACE: RAIPUR
DATED: 28.05.2018**

HEM HOLDING AND TRADING LIMITED

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

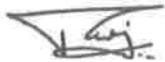
EMAIL ID- compliance@hemholdings.com

CIN NO: L65990MH1982PLC026823

STANDALONE BALANCE SHEET AS ON 31ST MARCH, 2018

<u>EQUITY AND LIABILITIES</u>		2018	2017
<u>SHAREHOLDERS' FUND</u>			
(a) Share Capital	2	2400000.00	2400000.00
(b) Reserves & Surplus	3	20430201.42	19609883.56
		22830201.42	22009883.56
<u>CURRENT LIABILITIES</u>			
(a) Short Term Provisions	4	126000.00	80000.00
(b) Other Current Liabilities		393887.00	338928.00
TOTAL		23350088.42	22428811.56
<u>ASSETS :</u>			
<u>NON-CURRENT ASSETS</u>			
(a) Fixed Assets			
(i) Tangible Assets	5	141972.00	149444.00
(b) Non-Current Investments	6	22095042.50	21095042.50
(c) Long Term Loans And Advances	7	5700.00	5700.00
		22242714.50	21250186.50
<u>CURRENT ASSETS :</u>			
(a) Cash and Cash Equivalents	8	830783.92	1039135.06
(b) Other Current Assets	9	276590.00	139490.00
		1107373.92	1178625.06
		23350088.42	22428811.56
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 : 28 MAY'18



(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

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CIN NO: L65990MH1982PLC026823

STANDALONE STATEMENT OF PROFIT AND LOSS

For the year ended March 31st		2018	2017	
I	Revenue from Operations	10	636842.43	414529.05
II	Other Income	11	996000.00	9119723.33
III	Total Revenue (I + II)		1632842.43	9534252.38
IV	Expenses			
	Depreciation	5	7472.00	7866.00
	Other Expenses	12	759052.57	726357.12
	Total Expenses		766524.57	734223.12
V	Profit Before Tax (III – IV)		866317.86	8800029.26
VI	Tax Expenses			
	Current Tax		46000.00	80000.00
VII	Profit / (Loss) for the year (V – VI)		820317.86	8720029.26
VIII	Earning per equity share ;			
	1 Basic		3.42	36.33
	2 Diluted		3.42	36.33

Summary of Significant Accounting Policies and other notes	1
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FOR AGRAWAL SHUKLA & CO.
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CIN NO: L65990MH1982PLC026823

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

		2017-18	2016-17
(A)	CASH FLOW FROM OPERATING ACTIVITIES :		
	Net Profit / (Loss) before Tax and Extra Ordinary items		
	Adjustments for		
	Depreciation	866318.00	8800029.00
	Interest Received	7472.00	7866.00
	Dividend Received	0.00	(144853.00)
	Profit or Loss on Sale of Investments	(636842.00)	(269676.00)
	Share of Profit from Noble Export	12329.71	
		0.00	(7416698.00)
	Operating Profit / (Loss) before working capital changes	(617040.29)	(7823361.00)
	Adjustments for	249277.71	976668.00
	Trade and Other Receivable	(19700.00)	428953.00
	Trade Payable	54959.00	3658.00
		284536.71	1409279.00
	Cash generated from Operations		
	Direct Taxes Paid / Refund Received	(117400.00)	(135925.63)
	Net Cash from Operating Activities	167136.71	1273353.37
(B)	CASH FLOW FROM INVESTMENTS ACTIVITIES		
	Sales of Investments	5000000.00	215000.00
	Purchase of Investments	(6000000.00)	(5000000.00)
	Interest Received	0.00	144853.00
	Profit / Loss on sale of investment	(12329.71)	
	Dividend Received	636842.00	269676.00
	Net Cash from Investment Activities	(375487.71)	(4370471.00)
(C)	CASH FLOW FROM FINANCING ACTIVITIES		
	Loans Received / (Repaid)		
	Interest Paid		
	Net Cash used in Financing Activities	(208351.00)	(3097118.00)
	Net Change in cash and cash Equivalents (A + B + C)		
	OPENING BALANCE OF CASH AND CASH EQUIVALENTS	1039135.00	4136253.00
	CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	830784.00	1039135.00
	As per our report attached	830784.00	

FOR AGRAWAL SHUKLA & CO.
 CHARTERED ACCOUNTANTS
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PLACE : RAIPUR
 DATE : 28TH MAY'18



(Signature)
 (Ketan M. Shah)
 DIRECTOR

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(Signature)
 (Sangeeta K. Shah)

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HEM HOLDINGS AND TRADING LIMITED

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CIN NO: L65990MH1982PLC026823

NOTES TO FINANCIAL STATEMENTS**Note: 2**

Share Capital :	Number	2018(Rs.)	Number	2017(Rs.)
	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 Moolchand Shah	51702	21.54	51702		21.54
Sangeeta Ketan Shah	35800	14.91	35800		14.91
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		1423000.00		1383000.00
Transfer from Surplus		40000.00		40000.00
		1463000.00		1423000.00
Surplus :				
As at April 1 st		18148483.56		9464889.93
Net Profit for the year		820317.86		8720029.26
Income Tax Refund for earlier year				
		18968801.42		18184919.19
Appropriations for :				
Transfer to Special Reserve Fund		40000.00		40000.00
Income Tax Demand/Surplus from earlier year				3564.37
Closing Balance		18928801.42		18148483.56
		20430201.42		19609883.56

Note: 4

CURRENT LIABILITIES		2018 Rs.		2017 Rs.
(a) Short Term Provisions :				
Provision for Taxation		126000.00		80000.00
		126000.00		80000.00
(b) Other Current Liabilities				
Rent Deposit		342400.00		300000.00
Others		51487.00		38928.00
		393887.00		338928.00
TOTAL		519887.00		418928.00

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, 2018	As at 31 st Mar, 2017
			(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	420.00	(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	1375.00	(1250.00)	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	(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	12548036.31
II.) Mutual Funds : (Quoted) :				15555042.50	15555042.50
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
SBI Blue Chip Fund	5000.00	(5000)	10.00	50000.00	50000.00
Franklin Templeton India Smaller Companies F	6628.175	(19550.34)	10.23	200000.00	200000.00
Tata Balanced Fund Regular Plan-Monthly Div		(73501.233)	68.03		5000000.00
Reliance Top 200 Fund - Dividend Plan	351253.447			6000000.00	
				6540000.00	5540000.00
(Market value of quoted investments of Rs. 2,94,28,127 Previous year 1,42,51,645)					
Previous Year's Figures are shown in brackets.					
				22095042.50	21095042.50

Note: 7**Long Term Loans And Advances :**

Advances recoverable in cash or in kind or value

	2018	2017
	5700.00	5700.00
	5700.00	5700.00

Note: 8**Cash and Cash Equivalents**

- Balance with Bank In Current Accounts Axis Bank Ltd. State Bank of India - Cash in Hand	693929.11 43660.16	737589.27 93194.65 830783.92	935795.41 103339.65 1039135.06
includes fixed deposits maturing after 12 months		Nil	939650.00

Note: 9

Other Current Assets	2018	2017
Advance Tax & TDS (AY 17-18)	139490	139490
Advance Tax & TDS (AY 18-19)	117400.0	
Kaya Media Ventures	13800.0	
Indiabulls Commercial Credit Ltd.	5800.0	
	276590.00	139490.00

HEM HOLDINGS AND TRADING LIMITED

NOTES TO FINANCIAL STATEMENTS

As on 31st March 2018

NOTE 10

		2018		2017
Revenue from Operations				
Dividend		636842.43		269676.05
Interest on Bank Deposits				144853.00
		636842.43		414529.05

NOTE 11

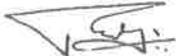
		2018		2017
Other Income				
Income from Noble Export				7416698.31
Rent		996000.00		997000.00
Interest on Income Tax Refund				5757.00
Long Term Capital gain				700268.02
		996000.00		9119723.33

NOTE 12

		2018		2017
Other Expenses :				
Rates and Taxes (Premises)		59110.00		55110.00
Repair to premises		40000.00		40000.00
Directors' Fees		9000.00		13000.00
Salary		100000.00		100000.00
Audit Fees		23000.00		23000.00
Professional Fees		122186.00		133463.00
Advertisement		53102.00		39836.00
Postage and Telephones		771.00		
Conveyance		420.00		
Custody Fees		9532.00		9487.00
Listing Fees		287500.00		229000.00
Registration & Renewal Exp.		22006.00		56598.00
Long Term Capital Loss		12329.71		
Roc Fees		7500.00		2500.00
Miscellaneous Expenses		12595.86		24363.12
		759052.57		726357.12

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

FOR AGRAWAL SHUKLA & CO.
CHARTERED ACCOUNTANTS
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Note: 5

FIXED ASSETS :

PARTICULRS	GROSS BLOCK (COST)			DEPRECIATION			NET BLOCK		
	AS ON 01/04/2017	ADDITIONS (DEDUCTIONS) DURING THE YEAR	AS AT 31/03/2018	AS AT 31/03/2017	PROVIDED DURING THE YEAR	DEDUCTIONS DURING THE YEAR	UPTO 31/03/2018	AS ON 31/03/2018	AS ON 31/03/2017
Tangible Assets - Premises	834038		834038	684594	7472	-	692066	141972	149444

HEM HOLDINGS AND TRADING LIMITED

As at 31st March

2018
(Rs.)2017
(Rs.)**GROUPINGS****Short Terms Provisions :****Provision for Taxation**

AY 2017-2018	80000.00	80000.00
AY 2018-2019	46000.00	
	<u>126000.00</u>	<u>80000.00</u>

Other Current Liabilities

Audit Fees Payable	23000.00	23000.00
Deposits from Ajay Kumar Srivastav	342400.00	300000.00
Agrawal Shukla & Co.		2000.00
Link Intime Pvt. Ltd.	7434.00	3622.00
Satisbatra & Associates	9350.00	8600.00
Directors Meeting Fess	9000.00	
TDS Payable	2703.00	1706.00
	<u>393887.00</u>	<u>338928.00</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

State Bank of India , Mumbai	44309.16	156941.93
Axis Bank Ltd. ,Bhilai	693929.11	778853.48
Cash on Hand	93194.65	103339.65
	<u>831432.92</u>	<u>1039135.06</u>

Other Current Assets

Advance Tax including tds (AY17-18)	139490.00	139490.00
Advance Tax (AY 18-19)	75000.00	
Tax Teducted at Source (AY 18-19)	42400.00	
Kaya Media Ventures	13800.00	
Indiabulls Commercial Credit Ltd.	5900.00	
	<u>276590.00</u>	<u>139490.00</u>

Miscellaneous Expenses

Bank Charges	1950.86	1630.62
Printing and Stationery	3384.00	
Demat Charges	1182.00	572.00
E-voting Expenses	5900.00	
Webpage Charges		11770.00
Miscellaneous Expenses	179.00	10390.50
	<u>12595.86</u>	<u>24363.12</u>

Revenue from Operations

(A) DIVIDEND INCOME

Sr. No.	Name of the Company	2017-18	2016-17
		Rs.	Rs.
1	Simplex Castings Limited	27275	
2	Hindustan Lever Limited	7200	6600
3	Oil and Natural Gas Corporation Limited	2541	3115
4	Hindalco Industries Ltd. (Fully paid up)	580.8	528
5	Pfizer (India) Limited	1320	990
6	Chambal Fertilizers & Chemicals Limited	1900	1900
7	East India Hotels Limited	675	
8	ICICI Bank Limited	3125	6250
9	Sunflag Iron & Steel Co. Limited		
10	Investment & Precision Casting Limited	500	280
11	National Thermal Power Co. Limited	5362.51	4876.51
12	Ballarpur Industries Limited		
13	Sarda Eenergy & Minerals Limited		
14	Siemens Limited	1400	6700
15	State Bank of India Limited	1560	1560
16	Hindustan Zinc Limited	29500	25900
17	Reliance Power Ltd.		
18	Central Bank of India		
19	IDBI Bank Limited		
20	IDFC Limited	100	100
21	IDFC Bank Limited	300	
22	Shri Bajrang Alloys Limited		
23	Tamboli Capital Limited	400	480
		83739.31	59279.51

(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
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	304295.12	168172.47
08	Franklin Templeton India Equity Fund-Dividend		
09.	Reliance Top 200 Fund - Dividend Plan	248808	
		553103.12	210396.54

TOTAL (A) + (B)

636842.43

269676.05

(b) Interest on Bank Deposits

On Bank Fixed Deposits

144853.00

0.00

144853

HEM HOLDINGS & TRADING LIMITED

NOTE - 1(A)

SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE ACCOUNTS FOR THE F. Y. 2017-18

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 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 2017-18	Previous Year 2016-17
Net Profit after tax	8,20,317.86	87,20,029.26
Weighted average number of Equity Share	2,40,000	2,40,000
Nominal Value per share	10.00	10.00
Basic and Diluted Earnings Per share	3.42	36.33

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:

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 Iromax Private Limited.
6. Sachdeva Sales Private Limited
7. Cardinal Yacht Builders Private
8. Mi Consultants Private Limited
9. Mi Productions Private Limited
10. RPM Global Solutions Private Limited
11. LUXE Yachts Private Limited

B. Associates Companies:

None

Directors:

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

C. Related party transaction:

SR. No.	Nature of transaction	Rs.	Directors	
			2017-18	2016-17
1.	Sitting Fees		9,000.00	13,000.00

D. 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 31.03.2018.

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
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 : 28.05.2018

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 36th Annual General Meeting of the Company, to be held Friday, 21st September, 2018 at 04.00 P. M. at 601/602A, 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.	Particulars	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, 2018 together with Reports of Directors and Auditors thereon		
2	To consider appointment of a Director in place of Smt. Sangeeta Ketan Shah (DIN:05322039) who retires by rotation and being eligible offer himself for re-appointment.		
3	To consider and approve appointment of M/s Taunk & Srikanth., Chartered Accountants, Firm Registration No.001524C as Statutory Auditors of the Company		
Special Business			
4	To Consider change in designation of Smt. Sangeeta Ketan Shah as Managing Director		
5	To Consider change in designation of Shri. Ketan M Shah as Non- Executive Director		

Signed this..... day of.....2018.

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

CIN: L65990MH1982PLC026823

Regd office: 601/602A, Off Andheri Link Road, Fair Link Centre, Andheri (West) Mumbai-53.
Tel. No.: 022-40034768, E-mail Id: compliance@hemholdings.com, Website: www.hemholdings.com

ATTENDANCE SLIP FOR 36 th ANNUAL GENERAL MEETING		
Registered Folio / DP ID & Client ID		
No. of Shares		
Name and Address of the Shareholder(s):		
Joint Holder(s):		
I/we hereby record my/our presence at the 36 th Annual General Meeting of the Company held at "601/602A, Off Andheri Link Road, Fair Link Centre, Andheri (West) Mumbai-53" on Friday, September 21, 2018 at 4.00 p.m.		
If Shareholder(s), please sign here	If Proxy, please mention name and sign here	
	Name of the Proxy	Signature
Note: Please sign this Attendance Slip and hand it over at the ENTRANCE OF THE MEETING HALL.		

ELECTRONIC VOTING PARTICULARS		
Electronic Voting Sequence Number (EVSN)	User ID	*Default PAN
180818009		

* Only Members who have not updated their PAN with the Company / Depository Participant shall use default PAN in the PAN field.

Note: Please read the instructions for e-voting given along with notice of the 36th Annual General Meeting. The Voting period starts from Tuesday, September 18, 2018 (9.00 a.m.) and ends on Thursday, September 20, 2018 (5.00 p.m.). The voting module shall be disabled by CSDL for voting thereafter.