

HEM HOLDINGS AND TRADING LIMITED

**ANNUAL REPORT
2021-22**

COMPANY INFORMATION

BOARD OF DIRECTORS

Mrs. Sangeeta K Shah Managing Director
Mr. Ketan M Shah Non Executive Director
Mr. Anup Kumar Das Independent Director

COMPANY SECRETARY

Mrs. Pooja Hirwani

CHIEF FINANCIAL OFFICER

Mr. Ashish Tayal

STATUTORY AUDITOR

M/s Harsh Jain and Associates

INTERNAL AUDITORS

M/s Deepankar Samaddar & Associates

SECRETARIAL AUDITORS

Meena Naidu & Associates
Practicing Company Secretary

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	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
Revenue from operations	4.32	4.06	2.90	6.47	6.36	4.14
Other Income	3.20	0.00	33.27	10.00	9.96	91.19
TOTAL INCOME	7.52	4.06	36.18	16.47	16.32	95.34
Employee benefits expense	1.90	2.27	4.14	1.32	1.00	1.00
Depreciation and amortization Expense	0.48	0.06	0.07	0.07	0.07	0.07
Other expenses	8.38	7.96	12.46	7.16	6.59	6.26
TOTAL EXPENSES	10.76	10.30	16.67	8.55	7.66	7.34
PROFIT BEFORE TAX	(3.24)	(6.24)	19.51	7.91	8.66	88.00
Current Tax expense	0.00	0.00	3.19	0.28	0.46	0.80
Net Profit after tax	(3.24)	(6.24)	16.33	7.63	8.20	87.20
EARNING PER SHARE (BASIC/DILUTED)	(1.35)	(2.60)	6.80	3.18	3.42	36.33
EXTRACT FROM BALANCE SHEET						
Share Capital	24.00	24.00	24.00	24.00	24.00	24.00
Reserve & Surplus	218.84	214.77	223.77	211.94	204.30	196.09
Net Fixed Assets	32.34	1.21	1.28	1.35	1.41	1.49
Non-Current Investment	17.75	7.42	11.15	95.47	95.47	210.95
Loans and Receivables	162.39	163.62	158.48	125.50	125.53	0.05
Cash & Cash Equivalent	30.70	64.02	79.02	17.84	8.30	10.39
OTHER FINANCIAL DATA						
TURNOVER (Rs. In Lakhs)	4.32	4.05	2.89	6.47	6.36	4.14
BOOK VALUE PER SHARE (Rs.)	101.18	99.49	103.23	98.31	95.12	91.70
NETWORTH (Rs. In Lakhs)	242.84	238.77	247.77	235.94	228.30	220.09

NOTICE

Notice is hereby given that the 40th Annual General Meeting (AGM) of the members of Hem Holdings and Trading Limited will be held on Friday, 30th September, 2022 at 2.00 pm through Video Conferencing ('VC') or other Audio-Visual Means ('OAVM'), to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited financial statements for the financial year ended 31st March, 2022 and in this regard, pass the following resolutions as an Ordinary Resolutions.

“**RESOLVED THAT** the audited financial statement of the Company for the financial year ended 31st March, 2022 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered, adopted and approved.”

2. To appoint a Director in place of Mr. Ketan M Shah (DIN: 00312343) who retires by rotation and being eligible offer himself for re-appointment.

3. **Re-Appointment of Statutory Auditor**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution, with or without modification:

“**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or reenactment thereof for the time being in force), and upon recommendation of the Audit Committee and Board of Directors, consent of the members of the Company be and is hereby accorded to re-appoint M/s. Harsh Jain and Associates , Chartered Accountants (ICAI Firm Registration No.007639C) as the Statutory Auditors of the Company to conduct the statutory audit for a period of five year commencing from the conclusion of this 40th Annual General Meeting till the conclusion of 45th Annual General Meeting of the Company to be held in the year 2027, at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors plus taxes as applicable and reimbursement of actual out-of-pocket expenses.

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

SPECIAL BUSINESS:

4. **Re-appointment of Mrs Sangeeta Ketan Shah (DIN:05322039) as Managing Director.**

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 Sections 196, 197 and 203 of the Companies Act, 2013 (“Act”) read with Schedule V to the Act and the Companies (Appointment and

Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) and enactment(s) thereof for the time being in force), the consent of the members be and is hereby accorded for the re-appointment of Mrs Sangeeta Ketan Shah (DIN:05322039) as Managing Director of the Company for a further period of 5 (five) years with effect from 26th April, 2023 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 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. **Re-appointment of Mr. Ketan Moolchand Shah (DIN:00312343) as Non-Executive Director to hold office for a second term.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **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, consent of the members of the Company be and is hereby accorded for re-appointment of Mr. Ketan Moolchand Shah (DIN:00312343) as Non-Executive Director of the Company, liable to retire by rotation, to hold office for a second term for five years with effect from 26th April, 2023 on such terms and conditions as mentioned in Explanatory Statement and as per letter of appointment given to Mr. Ketan Moolchand Shah by the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized 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.”

By Order of the Board of Directors
For, **Hem Holdings and Trading Ltd**

Date: 12.08.2022
Place: Bhilai

Pooja Hirwani
Company Secretary

Reg Office: 601/602A, Fairlink Center, Off Andheri Link Road, Andheri (W), Mumbai-400 053

NOTES:

1. In compliance with the provisions of the Companies Act, 2013 ('Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and MCA circulars, the AGM of the Company is being held through VC / OAVM.
2. In view of the continuing Covid-19 pandemic and social distancing norm, the Ministry of Corporate Affairs ("MCA") has vide it's circular dated April 8, 2020 and April 13, 2020, May 5, 2020 and January 13, 2021 and December 8, 2021 and December 14, 2021 and May 5, 2022 (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India vide its Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11, Dated January 15, 2021 (referred to as "SEBI Circular") permitted the holding of the "AGM" through Video Conferencing (VC) / Other Audio-Visual Means (OAVM), without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC / OAVM. Hence, Members can attend and participate in the AGM through VC/OAVM only.
3. Although, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll to vote instead of himself/ herself, but since this meeting is being held through VC/OAVM under the framework of MCA circulars on account of threat posed by COVID-19, where physical presence of members has been dispensed with, the facility of appointment of proxy will not be available and hence the proxy form and attendance slip are not annexed hereto.
4. Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
6. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

8. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM along with Annual Report for the Financial year ended 31st March, 2022 is available on the website of the Company at www.hemholdings.com, on the website of the Stock Exchange i.e BSE Limited at www.bseindia.com and on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
9. Members of the Company under the category of Institutional Investors are requested to attend and vote at the AGM through VC. Corporate Members/ Institutional Investors intending to appoint their authorized representatives pursuant to Section 113 of the Act, to attend the AGM through VC or OAVM or to vote through remote e-voting are requested to send a certified copy of the Board Resolution to the Scrutinizer by e-mail at cscmameena@gmail.com.
10. The Register of Members and Share Transfer Books of the Company will be closed from 24th September, 2022 to 30th September, 2022 (both days inclusive) for the purpose of the Annual General Meeting for the year ended 31st March, 2022.
11. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020, MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020, MCA Circular No. 2/2021 dated January 13, 2021 and MCA Circular No. 03/2022 dated May 05, 2022. The Notice of AGM is being sent only in electronic mode to those members whose e-mail addresses are registered with the Company/ RTA or the Depository Participant(s) as on 26th August, 2022. A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and shareholders as on Cut-off date i.e. 23rd September, 2022, shall be entitled to exercise his/her vote electronically i.e. remote e-voting or e-voting system on the date of the AGM by following the procedure mentioned in Annexure-B.
12. CS Meena Naidu, Practicing Company Secretary (CP No. 23853 & Membership No. A28193) Meena Naidu & Associates has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
13. The Scrutinizer shall within a stipulated period from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
14. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizers Report shall be placed on the Company's website www.hemholdings.com and on the website of CDSL within two working days from the conclusion of AGM of the Company and communicated to the Stock Exchange (BSE).
15. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 is annexed hereto.
16. In accordance with the above mentioned MCA General Circulars and SEBI Circulars, in view of the prevailing situation and owing to the difficulties involved in dispatching physical copies of the Financial Statements (including Board's Report, Auditor's Report or other documents required to be attached therewith) for the Financial Year ended 31st March, 2022 pursuant to section 136 of the Act and Notice calling the AGM pursuant to section 101 of the Act read with the Rules framed

thereunder, such statements including the Notice of AGM are being sent only in electronic mode to those Members whose e-mail addresses are registered with the Company/ RTA or the Depository Participant(s). The Company will not be dispatching physical copies of such statements and Notice of AGM to any Member. Members are requested to register/update their email addresses, in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with RTA by following due procedure. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, a copy of the Notice of this AGM along with Annual Report for the Financial Year 2021-2022 is available on the website of the Company at www.hemholdings.com website of the Stock Exchanges where the shares of the Company is listed i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of CDSL (agency for providing the e-voting facility) i.e. www.evotingindia.com.

17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the Securities Market. Members holding shares in electronic form are therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding the shares in physical form can submit their PAN details to the Company/RTA.
18. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from, 1st April, 2019. Further w.e.f. 24th January 2022, transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form.
19. To prevent fraudulent transactions, members are advised to exercise due diligence and notify any change in information to Registrar and Share Transfer Agent or Company as soon as possible. Members are also advised not to leave their Demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
20. Members who hold shares under more than one folio in name(s) in the same order, are requested to send the relative Share Certificate(s) to the Company's Registrar and Transfer Agent for consolidating the holdings into one account. The Share Certificate(s) will be returned after consolidation.
21. Pursuant to Section 72 of the Companies Act, 2013, Members who hold shares in the physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest, to avail of the nomination facility by filling form SH-13. Members holding shares in the dematerialized form may contact their Depository Participant for recording the nomination in respect of their holdings.
22. **PROCEDURE FOR INSPECTION OF DOCUMENTS::**
 - a. All the documents referred to in the accompanying notice and the statement pursuant to Section 102 (1) of the Companies Act, 2013 shall be available for inspection through electronic mode. Members are requested to write to the Company on compliance@hemholdings.com for inspection of said documents; and

- b. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to compliance@hemholdings.com.
23. Details under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, "Listing Regulations" in respect of the Director seeking re-appointment at the Annual General Meeting, has also been annexed as Annexure -I. The Directors have furnished the requisite declarations for their re-appointment.
24. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
25. Members holding shares in physical form are requested to advise any change in their registered address, E-mail address, Contact Numbers and Bank particulars etc., to the Company's Registrar and Share Transfer Agent (RTA), Link Intime India Private Limited (LIPL), Mumbai quoting their folio number at rnt.helpdesk@linkintime.co.in. Members holding shares in electronic form must send the advice about change in their registered address, E-mail address, Contact Number and bank particulars to their respective Depository Participant and not to the Company.
26. In all correspondence with the Company or with its Share Transfer Agent, members are requested to quote their folio number and in case the shares are held in the dematerialized form, they must quote their Client ID Number and their DPID Number.
27. Members are encouraged to express their views /send their queries in advance mentioning their name demat account number / folio number, email id, mobile number at compliance@hemholdings.com. Questions / queries received by the Company till 5.00 p.m. on Wednesday, 28th September, 2022 shall only be considered and responded during the AGM.

Explanatory Statement [Pursuant to Section 102 of the Companies Act, 2013 (“Act”)]

The following Statement sets out all material facts relating to Item Nos. 3 to 5 mentioned in the accompanying Notice.

ITEM NO.3

At the 39th AGM of the Company held on 30th September, 2021, the shareholders had approved the appointment of M/s. Harsh Jain & Associates , Chartered Accountants, Durg , having ICAI Firm Registration No. 007639C, as Statutory Auditors of the Company, to hold office till the conclusion of the 40th AGM. The Board of Directors at their meeting held on 27th May, 2022, based on recommendations of the Audit Committee, have approved the re-appointment of M/s. Harsh Jain & Associates , Chartered Accountants, as the Statutory Auditors of the Company for a term of 5 (Five) years i.e. from the conclusion of this AGM till the conclusion of 45th AGM of the Company. The re-appointment is subject to approval of the shareholders of the Company.

In accordance with the provisions of Sections 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Companies (Audit and Auditors) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), M/s. Harsh Jain & Associates, Chartered Accountants, have provided their consent and eligibility certificate to the effect that, their re-appointment, if made, would be in compliance with the applicable laws.

M/s Harsh Jain & Associates is a Durg based leading Chartered Accountants firm with over 25 years of history. M/s Harsh Jain & Associates, has been one of Central India’s prominent Chartered accountancy firms providing wide array financial and advisory services to numerous and diverse Clients.

The fees / remuneration of the Auditor shall be Rs 40,000 plus applicable taxes and out of pocket expenses for the financial year basis for statutory audit, issue of audit reports, issue of limited review reports and service relating thereto, and reports or certificates to be issued as a statutory auditor. The remuneration to be paid to Statutory Auditors during the second term shall be mutually agreed between the Board of Directors and Statutory Auditors, from time to time.

The Board recommends the resolution relating to re-appointment of auditor as set out in the Notice for your approval by way of passing ordinary resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives are in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

ITEM NO. 4:

Mrs. Sangeeta Ketan Shah was appointed as managing director of the Company for a period of five years w.e.f 26th April, 2018 to 25th April, 2023, in the Annual General meeting held on 21st September, 2018 has shown her willingness to act as Managing Director of the Company.

The Board of Director in its meeting held on 12th August, 2022, 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 hence, the committee and the Board has proposed to re-appoint her as Managing Director of the Company for a further period of five years on the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors. The reappointment of Mrs. Sangeeta Ketan Shah as such shall take effect from 26th April, 2023 to 25th April 2028 and require approval of Shareholders of the Company by way of Special Resolution as per provision of Section 152, 196, 197 and other applicable provisions, if any, of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives except Mrs. Sangeeta Ketan Shah and their relatives, is concerned or interested in the proposed re-appointment of Mrs. Sangeeta Ketan Shah as Managing Director 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 for a term of five years as Non-Executive director of the Company w.e.f 26th April, 2018, to 25th April, 2023 and ratified by members in the Annual General Meeting held on 21st September, 2018 has shown his willingness to hold office for a second term as Non-Executive Director of the Company, liable to retire by rotation.

The Board of Directors in its meeting held on 12th August, 2022, after considering his vast experience of thirty years of being an innovative technocrat and recommendations received from committee approved the re-appointment of Mr. Ketan M Shah as Non-Executive Director of the Company for a further period of five years 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, 2023 for five years and require approval of Shareholders of the Company by way of special Resolution 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 re-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.

By Order of the Board of Directors

For, Hem Holdings and Trading Ltd

Date: 12.08.2022

Place: Bhilai

Pooja Hirwani
Company Secretary

Reg Off: 601/602A, Fairlink Center, Off Andheri Road, Andheri (W), Mumbai-400 053

Annexure-I

Brief Profile of Appointee:

Name of Director:	Ketan M Shah	Sangeeta K Shah
Date of Birth:	02/12/1965	14/11/1977
Date of First Appointment on Board:	29/01/2011	18/03/2014
Qualifications	Bachelor degree in Mechanical Engineering and postgraduate degree in Business Management	Master Degree in Business Administration
Experience/Expertise in specific functional area/ Brief resume of the Director:	Mr Ketan Moolchand Shah holds a Bachelor degree in Mechanical Engineering from the Madhav Institute of Technology and Science, Gwalior (M.P) and a postgraduate degree in Business Management from the University of Florida. He has vast experience of thirty one years of being an innovative technocrat.	Mrs Sangeeta K Shah is an experienced and dynamic women entrepreneur. She is an active member of Industrial Association, CII, IIF, Chhattisgarh Skills Development, and also holds membership in various other associations. She worked in different capacities in Hem Holdings & Trading Limited and joined Board of the company as a Non-Executive Director from 18 th March, 2014. She is also director in other five Companies.
Terms and conditions for appointment/ reappointment	As per Company Policy on appointment of Board members	
Details of Remuneration sought to be paid and Remuneration last drawn:	As per Nomination and Remuneration Policy	
Number of Board Meetings attended during FY 2021-22:	6/6	6/6
Other Directorship held:	1.Simplex Castings Limited 2. Sim Prabha Estates and Trading Company Pvt Ltd. 3. Prabha Plantations Pvt Ltd. 4. SEFW Projects Pvt Ltd.	1.Simplex Castings Limited 2. Sim Prabha Estates and Trading Company Pvt Ltd. 3. Prabha Plantations Pvt Ltd. 4. SEFW Projects Pvt Ltd. 5.Ssquare Iromax private Limited
No. of Shares Held (as on 31 st March, 2022)	52402	49003
Relationship with other Directors and KMPs of the Company	Mrs Sangeeta K Shah and Mr Ketan M Shah are related to each other.	Mrs Sangeeta K Shah and Mr Ketan M Shah are related to each other.

ANNEXURE-II

I THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- i. The voting period begins on Tuesday, 27th September, 2022 at 9.00 AM and ends on Thursday, 29th September, 2022 at 5.00 PM. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd September, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
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<p>Individual Shareholders holding securities in Demat mode with CDSL Depository</p>	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
<p>Individual Shareholders holding securities in demat mode with NSDL Depository</p>	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp

	<p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p>
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
<p>Individual Shareholders holding securities in Demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33</p>
<p>Individual Shareholders holding securities in Demat mode with NSDL</p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30</p>

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on “Shareholders” module.
- 3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	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. <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.

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.

- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) 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.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) 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.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - 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 will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, 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.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cscmameena@gmail.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

II INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
8. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

III PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.

2. For Demat shareholders -, Please update your email id & mobile no. with your respective **Depository Participant (DP)**

3. **For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

DIRECTORS' REPORT

Dear Members,

Your directors are pleased to present their 40th Annual Report and Accounts of your Company for the year ended on 31st March, 2022.

FINANCIAL RESULTS

(Rs in Lakhs)

	31st March, 2022	31st March, 2021
Total Income	7.52	4.06
Total Expenses	10.76	10.30
Profit before tax	(3.24)	(6.24)
Profit after tax	(3.24)	(6.24)
Other Comprehensive Income	7.30	(2.75)
Total Comprehensive Income	4.06	(8.99)

PERFORMANCE REVIEW

Total income for the Financial Year 2021-22 is Rs. 7.52 lacs as against Rs. 4.06 lacs in previous year. Profit before tax for the financial year 2021-22 decreased to Rs. (3.24) lacs as against Rs. (6.24) lacs for previous financial year and Profit after Tax is Rs.(3.24) lacs against Rs.(6.24) 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 General Reserve Fund during F Y 2021-22.

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.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

No amount is required to be transferred under the provisions of Section 125(2) of the Companies Act, 2013 as there was no dividend declared and paid in last years.

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 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, 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.

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

There are no material changes or commitments occurring after 31st March, 2022, 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 accepted 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

As per the provisions of Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the compliance with the specified regulations of Corporate Governance was not applicable on the Company during the financial year 2021-22.

COST RECORDS AND AUDIT

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company and accordingly no such accounts and records are made and maintained.

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, 2022.

NUMBER OF MEETINGS OF THE BOARD

The following Meetings of the Board of Directors were held during the Financial Year 2021-22:

Sr. No	Date of Meeting	Board Strength	No. of Directors Present
1.	03.06.2021	3	3

2.	19.07.2021	3	3
3.	14.08.2021	3	3
4.	06.09.2021	4	4
5.	13.11.2021	4	4
6.	09.02.2022	3	3

The particulars of the Directors and attendance at the Board Meetings during the year, the attendance in the last Annual General Meeting, number of other directorships (excluding Hem Holdings and Trading Limited) and Committee Memberships as on 31- 03-2022 are as follows:

Name of the Director	Attendance at meeting during 2021-22		No of other Directorship(s) as on 31-03-2022	No. of other Board Committees member/Chairman	Category
	BM	AGM			
Ketan M Shah	6/6	Yes	1	-	Promoter/Non-Executive Director
Sangeeta K Shah	6/6	Yes	1	-	Promoter/Managing Director
Anup Kumar Das	3/3	No	-	-	Independent Director
Rahul Kumar Sethi	5/5	Yes	-	-	Independent Director

Note:

- (a) Directorships exclude Private Limited Companies, Foreign Companies and Section 8 Companies.
(b) Chairman/Membership of Committee only includes Audit Committee and Stakeholders Relationship Committee in Indian Public Limited Companies.

© Mr. Rahul Sethi (DIN: 01033208) had resigned from the Directorship of the Company with effect from 6th December, 2021.

Currently the Board has three committees: Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee.

Audit Committee

The Company has duly constituted an Audit Committee in F.Y 2021-22 under chairmanship of Mr. Rahul Sethi till 06.12.2021 with Mr Ketan M Shah and Mrs Sangeeta K Shah as Members. Shri Anup Kumar Das (Non-executive, Independent director) was appointed as chairman of the Audit Committee with effect from 07.12.2021. The Board has accepted all recommendation made by the Audit committee during the year.

During the Financial Year 2021-22, the Audit Committee met four times on 03.06.2021, 14.08.2021, 13.11.2021 and 09.02.2022.

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, 2022 is detailed below:

Name of the Member(s)	Category	Category	No of Meeting attended
Rahul Sethi	Chairman (till 06.12.2021)	Independent Director	3/4
Anup Kumar Das	Chairman (with effect from 07.12.2021)	Independent Director	1/4
Ketan M Shah	Member	Non-Executive Director	4/4
Sangeeta K Shah	Member	Managing Director	4/4

NOMINATION AND REMUNERATION COMMITTEE

The committee met once during the year on 09.02.2022. 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 2021-22 is detailed below:

Name of the Member(s)	Category	Attendance
Mrs. Sangeeta Ketan Shah	Managing Director	1/1
Mr. Ketan M Shah	Non- Executive Director	1/1
Mr. Anup Kumar Das	Independent Director	1/1

STAKEHOLDERS RELATIONSHIP COMMITTEE.

The committee met once during the year on 09.02.2022. As on 31st March, 2022, the Stakeholders' Relationship Committee consists of the following members:

Name of the Member	Status	Meeting	Category
Mr. Anup Kumar Das	Chairman	1/1	Independent Director
Mr. Ketan M Shah	Member	1/1	Non-Executive Director
Mrs. Sangeeta K Shah	Member	1/1	Managing Director

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013, the Directors hereby confirm that:

- a) In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures, if any;
- b) They have selected such Accounting Policies and applied them consistently and made judgment 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 March 31, 2022 and of the profit and loss of the company for that period;
- c) To the best of their knowledge and information, they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) They have prepared the Annual Accounts on a Going Concern basis;
- e) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) There is a proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

CONSERVATION OF ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

The Company is not a manufacturing Company and as such no provisions of Conservation of Energy, Technology Absorption under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are attracted. It is further stated that there was no inflow and outflow of foreign exchange.

INDIAN ACCOUNTING STANDARDS (IND AS)

Pursuant to the notification, issued by The Ministry of Corporate Affairs dated February 16, 2015 relating to the Companies (Indian Accounting Standard) Rules, 2015, the Company has adopted “IND AS” with effect from April 01, 2019.

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.

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.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provision of Section 152 of Companies Act, 2013, Mr. Ketan M Shah, director shall be retiring by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

Mr. Anup Kumar Das (DIN: 09248995) had been appointed as the Director of the Company (Non Executive, Independent Category) with effect from 14th August, 2021. Mr. Rahul Sethi (DIN: 01033208) had resigned from the Directorship of the Company with effect from 6th December, 2021.

During the year under review, Mrs. Pooja Hirwani (ACS 42186) has been appointed as Company Secretary of the Company with effect from 19.07.2021.

STATUTORY AUDITORS

The members of the Company at the 39th Annual General Meeting held on 30th September, 2021 has approved the appointment of M/s. Harsh Jain & Associates , Chartered Accountants, Durg , having ICAI Firm Registration No. 007639C as the Statutory Auditors of the Company for a period of one year, from the conclusion of the 39th Annual General Meeting till the conclusion of 40th Annual General Meeting of the Company going to be held in the year 2022.

Accordingly, based on the recommendation of the Audit Committee and confirmation received from M/s. Harsh Jain & Associates , Chartered Accountants, Durg , having ICAI Firm Registration No. 007639C on their eligibility, the Board recommends to the members for the re-appointment of M/s Harsh Jain & Associates, Chartered Accountants, Durg , as the Statutory Auditors of the Company to hold the office for a period of five year from the conclusion of this 40th Annual General Meeting till the conclusion of 45th Annual General Meeting of the Company to be held in the year 2027 subject to approval of members of the Company in ensuring Annual General Meeting of the Company.

SECRETARIAL AUDITOR AND THEIR REPORT

Mrs. Dunna Meena Kumari, Practicing Company secretary had been appointed as Secretarial Auditor of the Company for the FY 2021-22. The Secretarial Audit Report for the financial year ended 31st March, 2022 is annexed herewith as **Annexure-II** to this Report.

FRAUDS REPORTED BY AUDITORS

The Statutory Auditors or Secretarial Auditor of the Company have not reported any frauds 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, 2022 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-III** 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 2021-22, no Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 was made by the Company. Details of Loans, Guarantees and Investments outstanding as on 31st March, 2022 are given in the 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, 2022. 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 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) 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.

NBFC LICENSE

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.

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.
- (d) Your Company has not made any one time settlement with any of its lenders.
- (e) There is no application filed or made under the Insolvency and Bankruptcy, 2016.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed report on the Management Discussion and Analysis in terms of the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed as Annexure-I.

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)
DIRECTOR
DIN: 00312343

(Sangeeta Ketan Shah)
DIRECTOR
DIN: 05322039

Place: Bhilai
Date: 27.05.2022

ANNEXURE-I

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GLOBAL ECONOMY

The COVID-19 pandemic continued to impact the global economic environment during 2021. The first half (H1) of the calendar 2021 witnessed an acceleration in the global economic activity, that lifted the merchandise trade above its pre-pandemic peak. Reflecting this, International Monetary Fund (IMF) in its World Economic Outlook (WEO) October 2021 edition projected higher growth of global trade volume in goods and services of 9.7 percent in 2021, moderating to 6.7 percent in 2022, in line with the projected global recovery. World Trade Organization (WTO) in its October 2021 release, also upgraded its forecast for global merchandise trade volume growth to 10.8 percent in 2021, followed by a 4.7 percent rise in 2022.

INDIAN ECONOMY

The Financial Year 2021-22 was fairly a year of recovery from the adverse impacts of COVID-19 pandemic. The Indian economy successfully faced the challenges posed by the second and third waves of the pandemic, thanks to successful implementation of vaccination program, untiring services of the front line warriors, fiscal and monetary policies, stimulus measures of Reserve Bank of India, central and state governments which gave a much-needed cushion for the stability of the economy.

According to the second advance estimates of India's Gross Domestic Product (GDP) published by the National Statistical Office for the financial year 2021-22, GDP growth in the first and second quarter was 20.1% and 8.4% respectively. In the third quarter, the GDP growth slowed down to 5.4%. In the fourth quarter, India witnessed third wave of infection but remained largely unaffected owing to vaccination of large proportion of population. India's GDP growth in Financial Year 2021-22 is estimated at 8.9%, compared to a contraction of 7.3% in Financial Year 2020-21. The Index of Industrial Production grew 11.3% against an 8.4% contraction in Financial Year 2020-21. The consumer and business confidence was resilient with improvement in general economic situation, household incomes, and spending. The macro-economic indicators suggest that the Indian economy is well on its way to achieve its pre-pandemic growth levels in the current Financial Year 2023.

ECONOMIC OUTLOOK

The long-term fundamentals of the Indian economy continue to be strong due to rising incomes and large investments. These growth drivers are expected to sustain over a long period of time. At the same time, there are some concerns due to uncertain global economic environment and slow recovery in developed markets.

INDUSTRY OVERVIEW

Over the past few years, Non-Banking Financial Companies (NBFCs) have played a prominent role in the Indian financial system. They provide financial inclusion to the underserved section of the society that does not have easy access to credit. NBFCs have revolutionized the Indian lending system and have efficiently leveraged digitization to drive efficiency and provide customers with a quick and convenient financing experience. The plethora of services include vehicle financing, MSME financing, home

financing, microfinance and other retail segments The Government has consistently worked on the governance measures to strengthen the systemic importance of the NBFCs. As of January 31, 2022 there were approximately 9,495 NBFCs registered with Reserve Bank of India (RBI), of which 49 deposit accepting NBFCs.

The pandemic impacted the NBFCs operations, leading to decline in disbursements across the sectors. However, the support and focus of the Government through various liquidity measures such as repo rate cut, targeted long-term repo operations, special liquidity scheme and partial credit guarantee scheme, kept the sector afloat. The total credit outstanding from the NBFCs for Financial Year 2020-21 stood at Rs.23.75 trillion and is expected to grow by 6-7% in the Financial Year 2021-22. This growth was mainly led by growth in the housing, auto, gold and other retail segments which stood resilient even in the previous fiscal year. While the disbursement and AUM trends improved in the second and third quarters of Financial Year 2021-22, the trend is expected to continue in Q4 of Financial Year 2021-22 due to the limited impact of the third wave of the pandemic. The disbursement growth would have to remain healthier for a sustained AUM growth. Besides, bank credit growth to the NBFC sector improved significantly to 14.6% in February 2022 from 7% a year ago.

OPPORTUNITIES & THREATS

Opportunities

- Increase in Income levels will aid greater penetration of financial products.
- Positive regulatory reforms.
- Increase in corporate growth & risk appetite.
- Greater efficiency in debt market operations which will also help greater penetration.
- Increased securitization.
- Focus on selling new product/services.

Threats

- Inflation could trigger increase in consumer price inflation, which would dampen growth.
- Increased competition in both local & overseas markets.
- Unfavorable economic development.
- Market risk arising from changes in the value of financial instruments as a result of changes in market variables like interest rate and exchange rates.

COVID-19

Owing to the pandemic, the State Government has declared lockdown on 06.04.2021, which was further extended from time to time causing destruction in economy in general. The Company does not anticipate any material impact on the recoverability of the carrying value of its assets/ on its working. Since normalcy in business operations are also linked to directive of the government in future and implication of Covid-19 pandemic on the people and economy, the position in future cannot be visualized as of now and will be closely monitored and supervised by the Company to assess any material implication and adjustment to the carrying value of assets.

KEY RATIO:

The key ratios of the Company are given below:

Particulars	2021-22	2020-21
EBIDTA/ Total Income	(49.46) %	(151.68) %
Debt- Equity Ratio	0.00	0.00
Return on equity (%)	(13.5.00)	(26.00)
Book Value per share (H)	101.18	99.49
Earnings per share (H)	(1.35)	(2.60)

HUMAN RESOURCE

The Company keeps developing its organizational structure consistently over time. Efforts are made to follow excellent Human Resource practices. Adequate efforts of the staff and management personnel are directed on imparting continuous training to improve the management practices.

The objective of your Company is to create a workplace where every person can achieve his or her full potential. The employees are encouraged to put in their best. Lot of hard work is put in to ensure that new and innovative ideas are given due consideration to achieve the short- and long-term objectives of your company.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company believes that strong internal control system and processes play a critical role in the health of the Company. The Company's well-defined organizational structure, documented policy guidelines, defined authority matrix and internal controls ensure efficiency of operations, compliance with internal policies and applicable laws and regulations as well as protection of resources. Moreover, the Company continuously upgrades these processes and systems in line with the best available practices. The internal control system is supplemented by extensive internal audits, regular reviews by the management and standard policies and guidelines which ensure reliability of financial and all other records. The Company has, in material respect, an adequate internal financial control over financial reporting and such controls are operating effectively.

OUTLOOK

The policies and schemes of the Indian government such as production-linked incentives and its push toward self-reliance, increased infrastructure spending will start kicking in from current Financial Year 2022-23, leading to a stronger multiplier effect on jobs and income, higher productivity and more efficiency—all leading to accelerated economic growth. The spill-over effects of geopolitical conflicts could enhance India's status as a preferred alternate investment destination. The large vaccinated population should help us contain the impact of subsequent infections waves, if any. The inflation trajectory will depend upon the evolving geopolitical situation and its impact on global commodity prices and logistics.

Annexure-II

FORM NO. MR-3 SECRETERIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH ,2022

[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 Members,
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 March, 2022, 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 March, 2022 according to the provisions of:

1. The Companies Act, 2013 and the rules made thereunder ;
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. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of NBFC regulation for non accepting public Deposit;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 [Not applicable to the Company during the audit period];

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 [Not applicable to the Company during the audit period];

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 [Not applicable to the Company during the audit period];

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [Not applicable to the Company during the audit period]; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 [Not applicable to the Company during the audit period];

I have also examined compliance with the applicable clause of the Secretarial Standards issued by The Institute of Company Secretaries of India and the Listing Agreements entered into by the Company with BSE Limited. I have not examined Financial Laws and necessary Rules, as the same has been audited by other independent Professionals.

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

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.

I 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.

DUNNA MEENA KUMARI
Practicing Company Secretary
Mem No : A28193
COP No : 23853
Peer Review Cert No: 1522/2021
UDIN: A028193D000431959

Date: 27.05.2022
Place: Bhilai

ANNEXURE 'A'

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

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices i followed proved a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
4. Where ever required, i have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. my examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with the management has conducted the affairs of the Company.

DUNNA MEENA KUMARI
Practicing Company Secretary
Mem No : A28193
COP No : 23853
Peer Review Cert No: 1522/2021
UDIN: A028193D000431959

Date: 27.05.2022
Place: Bhilai

Annexure-III

EXTRACT OF ANNUAL RETURN (Form No. MGT-9)										
As on the Financial Year ended on 31.03.2022										
[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	INTEREST				-		100%			
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. Promoters										
(1) Indian	96,602	-	96,602	40.25 %	101,405	-	101,405	42.25 %	2.00%	

i) Indian	0	-	-	0%	0	-	-	0%	-
ii) Overseas	0	-	-	0%	0	-	-	0%	-
(b) Individuals									
i) holding nominal shares capital upto 2 lakh	61,553	58,802	120,355	50.15%	57,450	58,102	1,15,552	48.15%	(2.00%)
ii) holding nominal shares capital in excess of 1 lakh	-	-	-	-	-	-	-	-	-
(c) HUF	0	-	-	0%	0	-	-	0%	-
Subtotal (B) (2)	61,553	58,802	120,355	50.15%	57,450	58,102	1,15,552	48.15%	(2.00%)
Total Public Shareholding (B) = (B)(1)+(B)(2)	61,553	58,802	120,355	50.15%	57,450	58,102	1,15,552	48.15%	(2.00%)
C. Shares held by Custodian for GDRs & ADRs	0	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	181,198	58,802	240,000	100%	181,898	58,102	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%	-	52,402	21.83%	-	0.29%
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	44,900	18.71%		49,003	20.41%		1.71%
	TOTAL PROMOTER SHAREHOLDING	119,645	49.85%	-	1,24,448	51.85%	-	2.00%

(iii). CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE)

PARTICULARS	SHAREHOLDING AT THE BEGINNING OF THE YEAR		CUMULATIVE SHAREHOLDING AT THE END OF THE YEAR		Date 31/03/2022
	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%	52,402	21.83%	0.29 %
SANGEETA K SHAH	44,900	18.71%			
GIFT (27.12.2021)	2103	0.87%			
PURCHASE (31.03.2022)	2000	0.83%			
TOTAL			49,003	20.41%	1.71%
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		SHAREHOLDING AT THE END OF 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.	UTPAL DUTTA	2300	0.958%	2300	0.958%

04	SHANKAR TARAFDAR	2300	0.958%	2300	0.958%
05.	RANJEET SINGH	2250	0.937%	2250	0.937%
06.	PRADEEP KUMAR DHURVE	2200	0.916 %	2200	0.916%
07.	BHARAT BHUSHAN MAJUMDAR	2200	0.916%	2200	0.916%
08.	MAHENDRA PRATAP SINGH	2200	0.916%	2200	0.916%
09.	NARENDRA YADU	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		SHAREHOLDING AT THE END OF 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%	52,402	21.83%
SANGEETA K. SHAH	44,900	18.71%		
GIFT (27.12.2021)	2103	0.87%		
PURCHASE (31.03.2022)	2000	0.83%		
TOTAL			49,003	20.41%
ANUP K. DAS	-	-	0	0.00

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	Mrs Sangeeta Ketan Shah (Managing Director)	Mr Ketan M Shah (Non-Executive Director)
1	Gross salary	NIL	NIL
	(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	Mr. Rahul Sethi (upto 06.12.2021)	Mr. Anup Kumar Das (w.e.f 14.08.2021)	Total Amount
1	Independent Directors			
	Fee for attending board committee meetings	0.00	0.00	0.00
	Commission			
	Others, please specify			
	Total (1)	0.00	0.00	0.00
2	Other Non-Executive Directors			
	Fee for attending board committee meetings			
	Commission			

	Others, please specify			
	Total (2)			
	Total (B)=(1+2)	0.00	0.00	0.00

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

SN.	Particulars of Remuneration	Mrs. Pooja Hirwani (CS) w.e.f 19.07.2021	Total Amount
1	Gross salary	1.84	1.84
	(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	1.84	1.84

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishments or compounding of offences during the year ended 31st March, 2022.

ANNEXURE - IV

NON APPLICABILITY OF SUBMISSION OF REPORT ON CORPORATE GOVERNANCE AS PER EXEMPTION GIVEN OF CHAPTER IV OF SEBI (LODR) REGULATIONS, 2015

To the Members of the
HEM HOLDINGS AND TRADING LIMITED

This is to certify that as per Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the compliance with the corporate governance provisions as specified in Regulation 17 to 27 and Clauses (b) to (i) of Sub Regulation (2) of regulation 46 and Para C, D and E of Schedule V shall not be applicable in respect of: The Listed Entity having paid-up equity share capital not exceeding Rs. 10.00 Crore and net worth not exceeding Rs. 25.00 Crore as on the last day of the previous financial year. With regard to same, we would like to draw your kind attention that the paidup equity share capital of the Company does not exceed rupees Ten Crore and Net Worth does not exceed rupees Twenty Five Crore as on 31.03.2022. Therefore it is not required to submit Report on Corporate Governance.

Place: Bhilai
Date: 27.05 2022

For and on behalf of the Board

Sangeeta Ketan Shah
MANAGING DIRECTOR

ANNEXURE-V

CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
Hem Holdings and Trading Limited
601/602A, Fairlink Center , Off Andheri Link Road Andheri (W),
Mumbai – 400053

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Hem Holdings and Trading Limited having CIN: L65990MH1982PLC026823 and having registered office at 601/602A, Fairlink Center , Off Andheri Link Road , Andheri (W), Mumbai – 400053 (hereinafter referred to as '**the Company**'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number ('DIN') status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, i hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs ('MCA'), or any such other Statutory Authority.

SL No	Name of the Director	DIN	Date of Appointment in Company
1.	Ketan M Shah	00312343	29/01/2011
2.	Sangeeta K Shah	05322039	18/03/2014
3.	Anup Kumar Das	09248995	14/08/2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

DUNNA MEENA KUMARI
Practicing Company Secretary
Mem No : A28193
COP No : 23853
Peer Review Cert No: 1522/2021

Date: 27.05.2022
Place: Bhilai
UDIN: A028193D000432608

ANNEXURE-VI

COMPLIANCE CERTIFICATE BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

[Pursuant to Regulation 17(8)] OF SEBI (LODR) REGULATIONS, 2015

To,
The Board of Directors
Hem Holdings & Trading Limited

We the undersigned, in our respective capacities as CEO and Chief Financial Officer to the best of our knowledge and belief certify that:

- a. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2022 and that to the best of our knowledge and belief, we state that:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee:
 - i. Significant changes, if any, in internal control over financial reporting during the year;
 - ii. Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. No significant fraud witnessed during the year.

sd/-
(Ashish Tayal)
Chief Financial Officer and Chief
Executive officer

INDEPENDENT AUDITOR'S REPORT

To the Members

HEM HOLDINGS AND TRADING LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Hem Holding & Trading Limited (the 'Company'), which comprise the standalone balance sheet as at 31st March 2022, and the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the 'standalone financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2022, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (the 'ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report. - NIL



Principal Audit Procedures:

We have started our audit procedures with understanding of the internal control environment related to impairment loss allowance. Our procedures over internal controls focused on recognition and measurement of impairment loss allowance. We assessed the design and tested the operating effectiveness of the selected key controls implemented by the Company.

We also assessed whether the impairment methodology used by the company is in line with Ind AS 109 "Financial instruments" requirements. Particularly we assessed the approach of the Company regarding definition of default, Probability of Default, Loss Given Default and incorporation of forward-looking information for the calculation of ECL.

For loans and advances which are assessed for impairment on a portfolio basis we performed particularly the following procedures:

- We tested the reliability of key data inputs and related management controls;
- We checked the stage classification as at the balance sheet date as per definition of default of the company;
- We validated the ECL model and calculation by involving our Information Technology Expert;
- We have also calculated the ECL provision manually for a selected sample; and
- We have assessed the assumptions made by the Company in making accelerated provision considering forward looking information and based on an event in a particular geographical range.

For loans and advances which are written off during the year under audit, we read and understood the methodology and policy laid down and implemented by the Company in this regard along with its compliance on sample basis.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion & Analysis, Director's Report and Corporate Governance Report but does not include the Standalone Financial Statements and our-auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



Management's Responsibility for the Standalone 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 standalone 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 Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the



company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), 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 "B" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, no remuneration has been paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses during the year ended 31st March, 2022
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of Hen Holdings and Trading Limited ("the Company") as of 31st March, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained 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 authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, 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 ICAI.

For M/s Harsh Jain & Associates,

(Chartered Accountants)

FRN- 007639C



CA Harsh Jain

(Partner)

Mem. No.076736

UDIN- 22076736AJSEIB3099



Place: Durg

Date: 27.05.2022

Annexure 'B' to the Auditors' Report –

The Annexure referred to in our Report to the members of Hem Holdings and Trading Limited on the Financial Statements for the year ended 31st March, 2022.

- i. In respect of its Fixed Assets: -
 - a. (A) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
(B) In respect of its Intangible assets, there being no intangible assets, this clause is not applicable.
 - b. As explained to us, 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.
 - d. The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
 - e. No proceedings have been initiated or are pending against the company for holding any Benami property under the "Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder.
- ii. (a) In respect of its Inventories, there being no inventory, this clause is not applicable.
(b) During any point of time of the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks or financial institutions on the basis of security of current assets.
- iii. In respect of investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties:
 - a. (A) The company has granted loan/advances to associate company and year-end balance was Rs. 36,90,773/- and the company has made investments in associate company and year-end balance was Rs. 17,75,115/-
(B) The company has not granted loan/advances to parties other than subsidiaries, joint ventures and associates.
 - b. According to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest.
 - c. According to the information and explanations given to us, there is no stipulation as to receipt of principal and interest.
 - d. According to the information and explanations given to us, there is no overdue amount of loans granted to the companies.
 - e. There are no such loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the



overdues of existing loans given to the same parties.

- f. The Company has granted loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment to associate company, and the year end balance was Rs. 36,90,773/-, percentage thereof to the total loans granted was 100% and the company has made investments in associate company and year-end balance was Rs. 17,75,115/- percentage thereof to the total investments was 100%.
- iv. In our opinion and according to information and explanations given to us, the Company has complied with provisions 4 of Section 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- v. The Company has not accepted any deposits from the public during the period to which the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder are applicable.
- 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 labor or other items of cost. Hence, no cost records as prescribed by the central government under section 148(1) of the Companies Act, 2013, have been prepared by the Company.
- vii. In respect of statutory dues: -
- a. According to the information and explanations given to us, undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, Goods & Service Tax and other statutory dues have been regularly deposited with the appropriate authorities. According to the information and explanations given to us no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2022 for a period of more than six months from the date of becoming payable.
- b. There are no disputed statutory dues.
- viii. No transactions is being recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The company is not a declared willful defaulter by any bank or financial institution or other lender.
- (c) The company has not applied for any term loans during the year.
- (d) The company has not raised any funds on short term basis which has utilized for long term purposes.
- (e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.



- x. (a) The company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year were applied for the purposes for which those are raised.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
- xi. (a) In our opinion and according to the information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year that causes the financial statements to be materially misstated.
- (b) No report under sub-Section (12) of Section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 with the Central Government.
- (c) the auditor has not received any whistle-blower complaints.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company as prescribed under section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us, all transactions with the related parties are in compliance with Section 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. The company has an internal audit system commensurate with the size and nature of its business.
- xv. The company has not entered into any non-cash transactions with directors or persons connected with him as prescribed under section 192 of the Companies Act, 2013.
- xvi. (a) 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.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act 1934.
- (c) The Company is not a Core Investment Company (CIC) as defined under the Regulations by the Reserve Bank of India.
- xvii. the Company has incurred cash losses in the current financial year of Rs. 2,75,999/- and in the immediately preceding financial year of Rs. 6,17,500/-.
- xviii. There has been any resignation of the statutory auditors during the year and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors.
- xix. As per our opinion, there is no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.



- xx. Since the company has no project other than ongoing projects, in which the company may have transferred unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.
- xxi. Since the company's financial statement is not being consolidated with any other companies. Therefore, this clause is not applicable.

For M/s Harsh Jain & Associates,
(Chartered Accountants)
FRN- 007639C



CA Harsh Jain
(Partner)

Mem. No.076736

UDIN- 22076736AJSEJB3099



Place: Durg

Date: 27.05.2022

HEM HOLDINGS & TRADING LIMITED
Standalone Balance Sheet as at 31st March, 2022

(Rs. '000)

Particulars	Note no.	As at 31.03.2022	As at 31.03.2021
ASSETS			
Financial assets			
Cash and cash equivalents	4	3,070.04	6,402.29
Receivables	5	12,548.04	12,548.04
Loans	6	3,690.77	3,813.43
Investments	7	1,775.12	742.68
Other financial assets	8	2.05	2.05
Total financial assets		21,086.01	23,508.48
Non-financial assets			
Current tax assets (net)	9	73.68	50.27
Deferred tax assets (net)	21	-	300.73
Property, plant and equipment	10	3,234.05	121.72
Total non-financial asset		3,307.73	472.72
Total Assets		24,393.74	23,981.20
LIABILITIES AND EQUITY LIABILITIES			
Financial liabilities			
Payables			
(I) Trade payables			
(i) total outstanding dues of micro and small enterprises			
(ii) total outstanding dues of creditors other than micro and small enterprises	11(a)	30.54	19.75
(II) Other payables			
(i) total outstanding dues of micro and small enterprises			
(ii) total outstanding dues of creditors other than micro and small enterprises	11(b)	74.20	82.75
Other financial liabilities	11(c)	-	-
Total financial liabilities		104.74	102.50
Non-financial liabilities			
Current tax liabilities (net)	21	-	-
Deferred tax liabilities (net)	21	1.69	-
Other non-financial liabilities	12	3.40	1.14
Total non-financial liabilities		5.08	1.14
Total Liabilities		109.82	103.64
EQUITY			
Equity share capital	13	2,400.00	2,400.00
Other equity	14	21,883.92	21,477.56
Total Equity		24,283.92	23,877.56
Total Liabilities and Equity		24,393.74	23,981.20
Significant accounting policies & notes to Financial Statements	2		

In terms of our report of even date attached
For, M/s Harsh Jain & Associates
Chartered Accountants
FRN: 007639C

CA Harsh Jain
Partner
Mem. No. 076736
UDIN:
22076736AJSEIB3093
Place: Durg
Date: 27.05.2022



Harsh Jain
(C.F.O)

For & on behalf of the Board of Directors

HEM HOLDINGS AND TRADING LTD.

Levan
DIRECTOR

HEM HOLDINGS AND TRADING LTD.

Ja
DIRECTOR

Pooja
(C.C.S)

HEM HOLDINGS & TRADING LIMITED
Standalone Statement of Profit and Loss for the year ended on 31.03.2022

(Rs. '000)

Particulars	Note no.	As at 31.03.2022	As at 31.03.2021
I. Revenue from Operations	15		
Dividend Income		-	-
Interest Income		432.38	405.87
Total revenue from operations		<u>432.38</u>	<u>405.87</u>
Other Income	16	319.40	-
Total Income		<u>751.78</u>	<u>405.87</u>
II. Expenses			
Finance Costs	17	4.01	3.96
Employee benefits expenses	18	190.16	227.15
Depreciation and amortization	19	47.67	6.41
Other expenses	20	833.61	792.26
Total expenses		<u>1,075.45</u>	<u>1,029.78</u>
Profit before exceptional items and tax (I-II)		<u>(323.67)</u>	<u>(623.91)</u>
Exceptional items		-	-
III. Profit before tax		(323.67)	(623.91)
IV. Tax expense:			
Current tax	21	-	-
Deferred tax	21	-	-
Tax adjustment for earlier years		-	-
Net tax expense		<u>-</u>	<u>-</u>
V. Profit for the year (III-IV)		(323.67)	(623.91)
VI. Other comprehensive income			
(A) Items that will not be reclassified to profit or loss:			
- Net gain / (loss) on equity instruments measured through OCI		1,032.44	(372.56)
- Income tax impact		(302.41)	96.86
Total (A)		<u>730.03</u>	<u>(275.69)</u>
(B) Items that will be reclassified to profit or loss:			
- Loans and advances through OCI		-	-
- Income tax impact on above		-	-
Total (B)		<u>-</u>	<u>-</u>
Other comprehensive income (A+B)		<u>730.03</u>	<u>(275.69)</u>
VII. Total comprehensive income (V + VI)		406.36	(899.60)
VIII. Earnings per equity share (of Rs. 10 each):	22		
Basic (Rs.)		(1.35)	(2.60)
Diluted (Rs.)		(1.35)	(2.60)
Significant accounting policies & notes to Financial Statements	2		

In terms of our report of even date attached

For, M/s Harsh Jain & Associates
Chartered Accountants
FRN: 007639C

CA Harsh Jain
Partner
Mem. No. 076736
UDIN: 22076736AU5E1B3099

Place: Durg
Date: 27.05.2022



Adish
(C.F.O)

For & on behalf of the Board of Directors

HEM HOLDINGS AND TRADING LTD.

HEM HOLDINGS AND TRADING LTD.

DIRECTOR

Roopa
(C.S)

HEM HOLDINGS & TRADING LIMITED
Standalone Statement of changes in Equity for the year ended 31.03.2022

(A) <u>Equity Share Capital</u>	In Rs. '000
Equity Share of Rs. 10 each, issued, subscribed and fully paid up	
Balance as on 1st April 2020	2,400.00
Changes in equity share capital during the year	-
Balance as on 31st March 2021	2,400.00
Changes in equity share capital during the year	-
Balance as on 31st March 2022	2,400.00

(Rs. '000)

(B) <u>Other Equity</u>	Reserves and Surplus			Other comprehensive income	Total
	Special Reserve Fund	General Reserves	Retained Earnings	Equity Instruments through OCI	
Balance as at 31st March 2020	1,830.00	38.40	20,958.30	-449.54	22,377.16
Profit for the year	-	-	(623.91)	-	(623.91)
Other comprehensive income (net of taxes)	-	-	-	-275.69	(275.69)
Transfer to Special Reserve u/s 45-IA of RBI	-	-	-	-	-
Balance as at 31st March 2021	1,830.00	38.40	20,334.39	-725.23	21,477.56
Profit for the year	-	-	(323.67)	-	(323.67)
Other comprehensive income (net of taxes)	-	-	-	730.03	730.03
Transfer to Special Reserve u/s 45-IA of RBI	-	-	-	-	-
Balance as at 31st March 2022	1,830.00	38.40	20,010.72	4.80	21,883.92



HEM HOLDINGS & TRADING LIMITED
Standalone Statement of Cash Flows for the year ended 31st March 2022

Particulars	(Rs. '000)	
	Year ended 31.03.2022	Year ended 31.03.2021
A Cash Flow from operating activities		
Profit/(Loss) before tax	(323.67)	(623.91)
Adjustments for:		
- Depreciation/amortization	47.67	6.41
- Profit/(Loss) on sale of investments	-	-
- Dividend Income	-	-
Operating profit before working capital changes	(276.00)	(617.50)
Movements in working capital :		
Decrease/(Increase) in receivables	-	-
Decrease/(Increase) in loans	122.66	(513.43)
Decrease/(Increase) in other financial assets	-	-
Decrease/(Increase) in other non-financial assets	(23.41)	-
Increase/(Decrease) in trade payables	2.24	36.95
Increase/(Decrease) in other financial liabilities	-	(292.81)
Increase/(Decrease) in other non-financial liabilities	2.26	(0.86)
Cash generated from/(used in) operations	(172.25)	(1,387.65)
Direct taxes paid (net of refunds)	-	(111.96)
Net Cash flow from/(used in) operating activities	A (172.25)	(1,499.61)
B Cash flows from investing activities		
Purchase of fixed assets + CWIP + Cap Advance	(3,160.00)	-
Proceeds from sale of Fixed Assets/ Investments	-	-
Dividend Received	-	-
Interest received	-	-
Net cash flow from/(used in) investing activities	B (3,160.00)	-
C Cash flows from financing activities		
Interest paid	-	-
Net cash flow from/(used in) financing activities	C -	-
Net Increase in Cash & Cash Equivalents (A+B+C)	(3,332.25)	(1,499.61)
Cash and Cash Equivalents at the beginning of the year	6,402.29	7,901.91
Cash and Cash Equivalents at the end of the year	3,070.04	6,402.29
Components of cash and cash equivalents		
Cash and cash equivalents at the end of the year		
Cash on hand	396.28	83.84
Balances with banks	2,673.76	6,318.46
Total cash and cash equivalents	3,070.04	6,402.29

The above cash flow statement has been prepared under the indirect method set out in Ind AS 7 - Statement of Cash Flow.
Significant accounting policies & notes to Financial Statements - Note 2

In terms of our report of even date attached

For, M/s Harsh Jain & Associates

Chartered Accountants

FRN: 007639C

CA Harsh Jain

Partner

Mem. No. 076736

UDIN:

22076736ATSEI83049

Place: Durg

Date: 27.05.2022



Harsh Jain
(C.F.O)

For & on behalf of the Board of
Directors

HEM HOLDINGS AND TRADING LTD.

[Signature]
DIRECTOR

HEM HOLDINGS AND TRADING LTD.

[Signature]
DIRECTOR

[Signature]
(C.S)

Notes forming Part of the Standalone Financial Statements for the year ended 31st March 2022

1. CORPORATE INFORMATION

Hem Holdings and Trading Limited (the "Company") is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. It is registered as an investment and non-deposit taking non-banking finance Company ("NBFC") with Reserve Bank of India ("RBI"). The Company is engaged in the business of investment in mutual funds and in equity shares including in group companies as also providing loans to group companies. Its shares are listed in only one recognized stock exchange i.e., BSE Limited (BSE).

The Company's registered office is at 601 / 602-A, Fairlink Centre, Off Andheri Link Road, Andheri (West), Mumbai-400053, Maharashtra, India.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (the "Ind AS") prescribed under section 133 of the Companies Act, 2013 (the "Act").

2.2 Presentation of financial statements

The Balance Sheet, the Statement of Changes in Equity and the Statement of Profit and Loss are presented in the format prescribed under Division III of Schedule III of the Act, as amended from time to time, for Non-Banking Financial Companies ('NBFCs') that are required to comply with Ind AS. The Statement of Cash Flows has been presented as per the requirements of Ind AS 7 Statement of Cash Flows.

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after thereporting date (non-current) is presented in Note 31.

Financial assets and financial liability are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable rightto offset the recognized amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- i) The normal course of business
- ii) The event of default

2.3 Basis of Preparation

The standalone financial statements have been prepared under the historical cost convention on accrual basis except for certain financial assets which have been measured at fair values at the end of each reporting period as explained in the accounting policies below.

The standalone financial statements are presented in Indian Rupees (Rs.) which is the currency of the primary economic environment in which the Company operates (the "functional currency"). The values are rounded to the nearest rupee, except when otherwise indicated.



2.4 Use of estimates, judgements and assumptions

The preparation of the standalone financial statements in conformity with Ind AS requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgements

In the process of applying the Company's accounting policies, management has made judgements, which have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i) Business model assessment

Classification and measurement of financial assets depends on the results of business model and the solely payments of principal and interest ("SPPI") test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortized cost or fair value through other comprehensive income that are de-recognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i) Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial



liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. For further details about determination of fair value refer note 3.9.

ii) Effective interest rate ("EIR") method

The Company's EIR methodology, as explained in Note 3.1(A), recognizes interest income / Expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given / taken and recognizes the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behavior and life cycle of the instruments, as well as expected changes to interest rates and other fee income / expense that are integral parts of the instrument.

iii) Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's expected credit loss ("ECL") calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their inter dependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- a) The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ("LTECL") basis.
- b) Development of ECL models, including the various formulas and the choice of inputs.
- c) Determination of associations between macro-economic scenarios and economic inputs, such as gross domestic products, lending interest rates and collateral values, and the effect on probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD").
- d) Selection of forward-looking macro-economic scenarios and their probability weightings, to derive the economic inputs into ECL models.

iv) Provisions and other contingent liabilities

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Company's business.



When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the outflow is considered to be probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and number of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

For further details on provisions and other contingencies refer note 3.17.

These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Management believes that the estimates used in preparation of the standalone financial statements are prudent and reasonable.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Recognition of interest income

A. EIR method

Under Ind AS 109, interest income is recorded using the effective interest rate method for all financial instruments measured at amortized cost and financial instrument measured at FVOCI. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

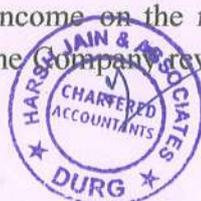
The EIR (and therefore, the amortized cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognizes interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial instrument.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortized through Interest income in the statement of profit and loss.

B. Interest income

The Company calculates interest income by applying EIR to the gross carrying amount of financial assets other than credit impaired assets.

When a financial asset becomes credit impaired and is, therefore, regarded as 'stage 3', the Company calculates interest income on the net basis. If the financial asset cures and is no longer credit impaired, the Company reverts to calculating interest income on gross basis?



3.2 Financial instrument - initial recognition

A. Date of recognition

Debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

B. Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments (Refer note 3.3(A)). Financial instruments are initially measured at their fair value (as defined in Note 3.9), except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from this amount.

C. Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- i) Amortized cost
- ii) FVOCI
- iii) FVTPL

i) Financial assets and liabilities

A. Financial assets

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an Instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel.
- b) The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
- c) How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cashflows collected).
- d) The expected frequency, value and timing of sales are also important aspects of the Company's assessment.



The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cashflows after initial recognition are realized in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

SPPI test

As a second step of its classification process, the Company assesses the contractual terms of financial to identify whether they meet SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of financial asset (for example, if there are repayments of principal or amortization of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Accordingly, financial assets are measured as follows:

i) Financial assets carried at amortized cost ("AC")

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Financial assets measured at FVOCI

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Since, the loans and advances are held to sale and collect contractual cash flows, they are measured at FVOCI.

iii) Financial assets at fair value through profit or loss ("FVTPL")

A financial asset which is not classified in any of the above categories is measured at FVTPL.



iv) Other equity investments

All other equity investments are measured at fair value, with value changes recognized in other comprehensive income ("OCI").

B. Financial liability

i) Initial recognition and measurement

All financial liability is initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liability, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

ii) Subsequent amusement

Financial liabilities are carried at amortized cost using the effective interest method.

3.3 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in the year ended 31st March 2022 and 31st March 2021.

3.4 Derecognition of financial assets and liabilities

A. Derecognition of financial assets due to substantial modification of terms and conditions

The Company de-recognizes a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognized as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognized loans are classified as Stage 1 for ECL measurement purposes.

B. Derecognition of financial assets other than due to substantial modification

i) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is de-recognized when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognized in the statement of profit and loss.



Accordingly, gain on sale or de recognition of assigned portfolio are recorded upfront in the statement of profit and loss as per Ind AS109. Also, the Company recognizes servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset.

As per the guidelines of RBI, the company is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ("MRR"). Therefore, it continues to recognize the portion retained by it as MRR.

ii) **Financial liability**

A financial liability is de-recognized when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from. The same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognized in the statement of profit and loss.

3.5 Impairment of financial assets

A. Overview of ECL principles

In accordance with Ind AS 109, the Company uses ECL model, for evaluating impairment of financial assets other than those measured at FVTPL.

Expected credit losses are measured through a loss allowance at an amount equal to:

- i) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- ii) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

Both LTECLs and 12 months ECLs are calculated on collective basis.

Based on the above, the Company categorizes its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognized, the Company recognizes an allowance based on 12 months ECL Stage 1 loans include those loans where there is no significant credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2 or stage 3.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the life time ECL. Stage 2 loans also include facilities where the credit risk has improved and loan has been reclassified from stage 3.



Stage 3: Loans considered credit impaired are the loans which are past due for more than 90 days. The Company records an allowance for life time EGL.

Loan commitments: When estimating LTECLs for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

B. Calculation of ECLs

The mechanics of EGL calculations are outlined below and the key elements are, as follows:

PD Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognized and is still in the portfolio.

EAD Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest.

LGD Loss Given Default ("LGD") is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD.

The Company has calculated PD, EAD and LGD to determine impairment loss on the portfolio of loans and discounted at an approximation to the EIR. At every reporting date, the above calculated PDs, EAD and LGDs are reviewed and changes in the forward- looking estimates are analyzed.

The mechanics of the EGL method are summarized below:

Stage 1: The 12 months EGL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the

12 months after the reporting date. The Company calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.



Stage 3: For loans considered credit-impaired, the Company recognizes the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%.

C. Loans and advances measured at FVOCI

The ECLs for loans and advances measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortized cost is recognized in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognized in OCI is recycled to the profit and loss upon derecognition of the assets.

D. Forward looking information

In its ECL models, the Company relies on a broad range of forward-looking macroparameters and estimated the impact on the default at a given point of time.

- i) Gross fixed investment (% of GDP)
- ii) Lending interest rates
- iii) Deposit interest rates

3.6 Write-offs

Financial assets are written off when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in the statement of profit and loss.

3.7 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 financial instruments: Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date;



- Level 2 financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads; and
- Level 3 financial instruments: Those that include one or more unobservable input that is significant to the measurement as whole.

3.8 (1) Recognition of other income

Revenue (other than for those items to which Ind AS 109 - Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 - Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

The Company recognizes revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognize revenue when (or as) the Company satisfies a performance obligation.

A. Dividend income

Dividend income (including from FVOCI investments) is recognized when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.



B. Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the statement of profit and loss, unless the increase is in line with expected general inflation, in which case lease income is recognized based on contractual terms.

C. Other interest income

Other interest income is recognized on a time proportionate basis.

D. Fees and commission income

Fees and commission income such as stamp and document charges, guarantee commission, service income etc. are recognized on point in time basis.

3.9 (II) Recognition of other expense

A. Borrowing costs

Borrowing costs are the interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

All other borrowing costs are charged to the statement of profit and loss for the period for which they are incurred.

3.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.11 Property, plant and equipment

Property, plant and equipment ("PPE") are carried at cost, less accumulated depreciation and impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Subsequent expenditure on PPE after its purchase is capitalized only if it is probable that the future economic benefits will flow to the enterprise and the cost of the item can be measured reliably.

Depreciation is calculated using the written down value method to write down the cost of property and equipment to their residual values over their estimated useful lives as specified under schedule II of the Act.



Land is not depreciated.

The estimated useful lives are, as follows:

- i) Buildings - 60 years
- ii) Office equipment - 3 to 10 years
- iii) Furniture and fixtures - 10 years
- iv) Vehicles - 8 years

Depreciation is provided on a pro-rata basis from the date on which such asset is ready for its intended use.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

PPE is de-recognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in other income / expense in the statement of profit and loss in the year the asset is de- recognized.

3.12 Intangible assets

The Company's intangible assets include the value of software. An intangible asset is recognized only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

Amortization is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives (three years) using the straight-line method, and is included in depreciation and amortization in the statement of profit and loss.

3.13 Impairment of non-financial assets - property, plant and equipment's and Intangible assets

The carrying values of assets/ cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and if the carrying amount of these assets exceeds their recoverable amount, impairment loss is recognized in the statement of profit and loss as an expense, for such excess amount. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the statement of profit and loss.



3.14 Leasing

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Company as a lessee

Leases that do not transfer to the Company substantially all of the risks and benefits incidental to ownership of the. Leased items are operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognized based on contractual terms.

Company as a lessor

Leases where the Company does not transfer substantially all of the risk and benefits of ownership of the asset are classified as operating leases. Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the statement of profit and loss, unless the increase is in line with expected general inflation, in which case lease income is recognized based on contractual terms. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

3.15 Corporate guarantees

Corporate guarantees are initially recognized in the standalone financial statements (within "other non-financial liabilities") at fair value, being the notional commission. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

Any increase in the liability relating to financial guarantees is recorded in the statement of profit and loss. The notional commission is recognized in the statement of profit and loss under the head fees and commission income on a straight-line basis over the life of the guarantee.

3.16 Retirement and other employee benefits, Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.



Defined benefit plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation / retirement. The gratuity is paid @15days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The gratuity liability amount is contributed by the Company to the Life insurance corporation of India who administers the fund of the Company.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

As per Ind AS 19, the service cost and the net interest cost are charged to the statement of profit and loss. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized in OCI.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognized in the period in which the employee renders the related service. A liability is recognized for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The cost of short-term compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

3.17 Provisions, contingent liabilities and contingent assets

A. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.



B. Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

C. Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are neither recognized not disclosed in the financial statements.

3.18 Taxes

A. Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or equity.

B. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or equity.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.



- C. Goods and services tax paid on acquisition of assets or on incurring expenses for assets are recognized net of the goods and services tax paid, except when the tax incurred on a purchase of assets or availing of services is not recoverable from the taxation authority, in which case, the tax paid is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of tax recoverable from, or payable to the taxation authority is included as part of receivables or payables in the balance sheet.

3.19 Earnings per share

Basic earnings per share ("EPS") is computed by dividing the profit after tax (i.e., profit attributable to ordinary equity holders) by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the profit after tax (i.e., profit attributable to ordinary equity holders) as adjusted for after-tax amount of dividends and interest recognized in the period in respect of the dilutive potential ordinary shares and is adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares, by the weighted average number of equity shares considered for deriving basic earnings per share as increased by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits, right issue and bonus shares, as appropriate.

3.20 Dividends on ordinary shares

The Company recognizes a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the Act, final dividend is authorized when it is approved by the shareholders and interim dividend is authorized when it is approved by the Board of Directors of the Company. A corresponding amount is recognized directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognized directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognized in the statement of profit and loss.



HEM HOLDINGS & TRADING LIMITED
Notes forming Part of Standalone Financial Statements as at 31st March 2022 (Contd.)

		(Amount in Rs.'000)	
		As at	As at
		31.03.2022	31.03.2021
Note 4. Cash and Cash Equivalents			
Cash in Hand		396.28	83.84
<u>Balances with Banks:</u>			
In current accounts		2,673.76	6,318.46
	Total cash and cash equivalents	3,070.04	6,402.29
Note 5. Receivables			
Trade Receivables			
Trade receivables considered good-unsecured		-	-
	Total	-	-
Allowances for Impairment loss		-	-
	Total	-	-
Other receivables			
Other receivables considered good-unsecured			
(a) From 0 to 1 year		-	-
(b) From 1 to 2 year		-	-
(c) From 2 to 3 year		-	-
(a) From 3 to infinite years		12,548.04	12,548.04
	Total	12,548.04	12,548.04
Allowances for Impairment loss		-	-
	Total	12,548.04	12,548.04
	Total Receivables	12,548.04	12,548.04

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Note 6. Loans

(A) Term Loans		-	-
(B) Secured by tangible assets			
Unsecured		3,690.77	3,813.43
	Total (B)	3,690.77	3,813.43
(C) (I.) Loans in India			
Public sector		-	-
Private sector		3,690.77	3,813.43
	Total (C)- Gross	3,690.77	3,813.43
(C) (II.) Loans outside India		-	-
	Total (C) (I) and (C) (II)	3,690.77	3,813.43

Refer Note No. 27(b) for loan to company in which directors are interested



HEM HOLDINGS & TRADING LIMITED
Notes forming Part of Standalone Financial Statements as at 31st March 2022 (Contd.)

Note 7. Investments

		(Amount in Rs.'000)					
		As at 31.03.2022			As at 31.03.2021		
		At fair value through OCI	Others	Total	At fair value through OCI	Others	Total
		1	2	(3=1+2)	4	5	(6=4+5)
Investments							
	Equity instruments	1,775.12	-	1,775.12	742.68	-	742.68
	Mutual Funds	-	-	-	-	-	-
	Total (A)	1,775.12	-	1,775.12	742.68	-	742.68
	(i) Investments outside India	-	-	-	-	-	-
	(ii) Investments in India	1,775.12	-	1,775.12	742.68	-	742.68
	Total (B)	1,775.12	-	1,775.12	742.68	-	742.68
	Less: Allowances for Impairment Loss (C)	-	-	-	-	-	-
	Total- Net (D) = (B) - (C)	1,775.12	-	1,775.12	742.68	-	742.68
	Average cost of Investments			1,768.63			



HEM HOLDINGS & TRADING LIMITED
Notes forming Part of Standalone Financial Statements as at 31st March 2022 (Contd.)

	(Amount in Rs.'000)	
	As at	As at
	31.03.2022	31.03.2021
Note 8. Other financial assets		
Security deposits	2.05	2.05
Interest accrued but not due on loans & advances	-	-
Interest accrued but not due on bank deposits	-	-
Total other financial assets	2.05	2.05
Note 9. Current Tax Assets (Net)		
Advance Income Tax /TDS Receivable	73.68	50.27
Total Current Tax Assets	73.68	50.27

Note 10. Property, Plant & Equipments and Intangible assets

Nature of assets	Property, Plant & Equipments (a)			Intangible Assets (b)
	Buildings	Vehicles	Total	Total
Deemed cost				
As at 31st March 2020	834.04	-	834.04	-
Additions	-	-	-	-
Disposal	-	-	-	-
As at 31st March 2021	834.04	-	834.04	-
Additions	3,160.00	-	3,160.00	-
Disposal	-	-	-	-
As at 31st March 2022	3,994.04	-	3,994.04	-
Depreciation/Amortization				
As at 31st March 2020	705.91	-	705.91	-
Depreciation/amortization charge	6.41	-	6.41	-
Disposal	-	-	-	-
As at 31st March 2021	712.32	-	712.32	-
Depreciation/amortization charge	47.67	-	47.67	-
Disposal	-	-	-	-
As at 31st March 2022	759.98	-	759.98	-
Net Block value				
As at 31st March 2020	128.13	-	128.13	-
As at 31st March 2021	121.72	-	121.72	-
As at 31st March 2022	3,234.05	-	3,234.05	-

	(Amount in Rs.'000)	
	As at	As at
	31.03.2022	31.03.2021
Note 11(a). Trade Payables		
(a) From 0 to 1 year	27.00	16.21
(b) From 1 to 2 year	-	3.54
(c) From 2 to 3 year	3.54	-
(a) From 3 to infinite years	-	-
Total Trade Payables	30.54	19.75

Note 11(b). Other Payables		
(a) From 0 to 1 year	72.20	80.75
(b) From 1 to 2 year	-	-
(c) From 2 to 3 year	2.00	2.00
(a) From 3 to infinite years	-	-
Total Other Payables	74.20	82.75

Note 11(c). Other financial liabilities		
Interest accrued but not due on others	-	-
Security deposits received from borrowers	-	-
Total Other financial liabilities	-	-

Note 12. Other non-financial liabilities		
Statutory remittances	3.40	1.14
Interest income received in advance	-	-
Total other non-financial liabilities	3.40	1.14



HEM HOLDINGS & TRADING LIMITED
Notes forming Part of Standalone Financial Statements as at 31st March 2022 (Contd.)

Note 13. Equity Share Capital	(Amount in Rs.'000)	
	As at	As at
	31.03.2022	31.03.2021
Authorised Shares:		
250000 Equity shares of Rs. 10/- each	2,500.00	2,500.00
	2,500.00	2,500.00
Issued, Subscribed and fully paid up shares:		
240000 Equity shares of Rs. 10 each fully paid-up	2,400.00	2,400.00
	2,400.00	2,400.00

Note 13.1. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

	As at 31.03.2022		As at 31.03.2021	
	No. of shares	(Amt.in Rs.'000)	No. of shares	(Amt.in Rs.'000)
Equity shares at the beginning of the year	2,40,000	2,400.00	2,40,000	2,400.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	2,40,000	2,400.00	2,40,000	2,400.00

Note 13.2. Details of shares held by each shareholder holding more than 5% shares

Class of shares / Name of shareholder	As at 31.03.2022		As at 31.03.2021	
	No. of shares held	% of holding in that class of shares	No. of shares held	% of holding in that class of shares
Equity shares				
Ketan Moolchand Shah	52,402	21.83%	52,402	21.83%
Sangeeta Ketan Shah	49,003	20.42%	44,900	18.71%
Prabha Plantations Pvt. Ltd.	21,443	8.93%	21,443	8.93%

Note 13.3. Details of bonus shares issued during the five years immediately preceding the balance sheet date: NIL

Note 13.4. Terms / rights attached to equity shares

The Company has one class of equity shares having a par value of Rs.10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.



HEM HOLDINGS & TRADING LIMITED
Notes forming Part of Standalone Financial Statements as at 31st March 2022 (Contd.)

		(Amount in Rs.'000)	
		As at	As at
		31.03.2022	31.03.2021
Note 14. Other equity (Refer Note 19.1)			
General Reserve			
Outstanding at the beginning of the year		38.40	38.40
Outstanding at the end of the year		<u>38.40</u>	<u>38.40</u>
Special Reserve Fund			
Outstanding at the beginning of the year		1,830.00	1,830.00
Additions during the year		-	-
Outstanding at the end of the year		<u>1,830.00</u>	<u>1,830.00</u>
Surplus in the statement of profit and loss			
Outstanding at the beginning of the year		20,334.39	20,958.30
Add: Profit for the year		(323.67)	(623.91)
		<u>20,010.72</u>	<u>20,334.39</u>
Less: Appropriations			
Transfer to Special Reserve Fund		-	-
	Total Appropriations	-	-
Net surplus in the statement of profit and loss		<u>20,010.72</u>	<u>20,334.39</u>
Other comprehensive Income			
Outstanding at the beginning of the year		(725.23)	(449.54)
Equity instruments through OCI		1,032.44	(372.56)
Income tax relating to items that will not be reclassified to profit or loss		(302.41)	96.86
Other comprehensive income for the year-net of tax		<u>4.80</u>	<u>(725.23)</u>
	Total other equity	<u>21,883.92</u>	<u>21,477.56</u>

Note 14.1. Nature and purpose of reserve

1. Special Reserve Fund u/s 45-IA Of the Reserve Bank of India Act, 1934 (the "RBI Act, 1934") Reserve u/s. 45-IA of RBI Act, 1934 is created in accordance with section 45 IC (1) of the RBI Act, 1934. As per Section 45 IC (2) of the RBI Act, 1934, no appropriation of any sum from this reserve fund shall be made by the NBFC except for the purpose as may be specified by RBI.

2. General Reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilized only in accordance with the specific requirements of Companies Act, 2013.

3. Surplus in the Statement of Profit and Loss

Surplus in the statement of profit and loss is the accumulated available profit of the Company carried forward from earlier years. These reserves are free reserves which can be utilized for any purpose as may be required.

4. FVOCI Equity Investments

The Company has elected to recognize changes in the fair value of investments in equity securities (other than investment in subsidiary) in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity.



HEM HOLDINGS & TRADING LIMITED
Notes forming Part of Standalone Financial Statements as at 31st March 2022 (Contd.)

		(Amount in Rs.'000)	
		As at 31.03.2022	As at 31.03.2021
Note 15. Operating Income			
Dividend Income		-	-
Other Interest Income		432.38	405.87
	Total	432.38	405.87
Note 16. Other Income			
Rental income		313.50	-
Capital Gains on sale of investments		-	-
Income from non-financing activity		5.90	-
		319.40	-
Note 17. Finance cost (on financial liabilities measured at amortized cost)			
Other interest expense		-	1.85
Bank Charges		4.01	2.11
		4.01	3.96
Note 18. Employee benefits expense			
Salaries and wages		190.16	227.15
Staff welfare expenses		-	-
		190.16	227.15
Note 19. Depreciation and amortization			
Depreciation on property, plant and equipment		47.67	6.41
Amortization of intangible assets		-	-
		47.67	6.41
Note 20. Other expenses			
Advertisement expenses		53.87	65.06
Custody Charges		10.62	10.62
COVID expenses		-	4.00
Conveyance Expenses		0.26	-
Demat Charges		0.59	0.69
E-Voting expenses		16.52	16.52
Filing Fees		4.00	10.50
Fine & Penalty		17.70	-
Listing Fees		354.00	354.00
Miscellaneous expenses		14.13	3.35
Payment to auditors (Refer note below)		47.20	64.90
Printing & Stationery Expenses		1.25	-
Professional fees		174.72	99.54
Rates and taxes		64.00	57.80
Registration & Renewal expenses		33.48	45.27
Repairs and Maintenance		41.27	60.00
Balance W/off		0.00	-
		833.61	792.26



HEM HOLDINGS & TRADING LIMITED
Notes forming Part of Standalone Financial Statements as at 31st March 2022 (Contd.)

	(Amount in Rs.'000)	
	As at	As at
	31.03.2022	31.03.2021
Note: Payment to auditors (including taxes)		
As auditor		
- Statutory audit	35.40	35.40
- Limited review of quarterly results	11.80	29.50
- Other services		-
	47.20	64.90

Note 21. Tax expenses

The components of income tax expense for the years ended 31st March 2022 and 2021 are:

Current tax	-	-
Adjustment in respect of. current income tax of prior years	-	-
Deferred tax	-	-
Total tax charge	-	-
Current tax	-	-
Deferred tax	-	-

Reconciliation of the Total Tax Charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at Indian corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31st March 2022 and 2021 is, as follows:

	31.03.2022	31.03.2021
Accounting profit before tax	(324)	(624)
Applicable tax rate	26.00%	31.20%
Computed tax expense	(84)	(195)
Tax effect of:		
Exempted income	-	-
Nondeductible items	-	32
Adjustment on account of change in tax rate	-	-
Others	-	-
Total tax expense	(84)	(162)
Tax expenses recognized in the statement of profit and loss	(84)	(162)
Effective tax rate	26.000%	26.000%

Deferred Tax

Deferred tax asset/ liability (net)

The movement on the deferred tax account is as follows:

	As at	As at
	31.03.2022	31.03.2021
At the start of the year (DTA) / DTL (net)	(300.73)	(203.86)
Credit/(charge) for loans & advances thro' OCI	-	-
Credit/(charge) for equity instruments thro' OCI	302.41	(96.86)
Credit/(charge) to the statement of profit & loss	-	-
At the end of year (DTA)/ DTL (net)	1.69	(300.73)



HEM HOLDINGS & TRADING LIMITED
Notes forming Part of Standalone Financial Statements as at 31st March 2022 (Contd.)

The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense:

(Amount in Rs.'000)

	As at 31.03.2021	Statement of Profit & Loss	OCI	As at 31.03.2022
Component of deferred tax asset/ (liability)				
Deferred tax asset / (liability) in relation to:				
Difference between written down value of fixed assets as per books of accounts & income tax				
Deferred tax on fair value of investments	(300.73)	-	302.41	1.69
Expenses allowable on payment basis				
	(300.73)	-	302.41	1.69

	As at 31.03.2020	Statement of Profit & Loss	OCI	As at 31.03.2021
Component of deferred tax asset/ (liability)				
Deferred tax asset / (liability) in relation to:				
Difference between written down value of fixed assets as per books of accounts & income tax				
Deferred tax on fair value of investments	(203.86)	-	(96.86)	(300.73)
Expenses allowable on payment basis				
	(203.86)	-	(96.86)	(300.73)

Current Tax Liabilities (Net)

Provision for tax [net of advance tax of Rs. 3,69,288/- Pre Yr - Rs. 2,57,326/-]

As at 31.03.2022	As at 31.03.2021
	-

Note 22. Earning Per share

Net profit after tax as per Profit & Loss (A)
Weighted average number of equity shares of Rs. 10 each for calculation of basic EPS (B)
Weighted average number of equity shares of Rs.10 each for calculation of diluted EPS (C)
Basic earnings per share (A/B)
Diluted earnings per share (A/C)

As at 31.03.2022	As at 31.03.2021
(323.67)	(623.91)
2,40,000	2,40,000
2,40,000	2,40,000
(1.35)	(2.60)
(1.35)	(2.60)

Note 23. Contingent liabilities and commitments (to the extent not provided for

(A) Contingent liabilities

Guarantees given by the company

As at 31.03.2022	As at 31.03.2021
Nil	Nil

(B) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided:

Nil	Nil
-----	-----

Note 24. Corporate social responsibility ("CSR") expenses:

The company does not come within the preview of CSR as per section 135 of the act.

Note 25. Leasing arrangements

Operating lease commitments - as lessor - Nil

Note 26. Segment reporting:

The Company is engaged primarily on the business of "Financing" only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Company are in India. Accordingly, there are no separate reportable segments as per Ind AS 108 - "Operating segments".



HEM HOLDINGS & TRADING LIMITED
Notes forming Part of Standalone Financial Statements as at 31st March 2022 (Contd.)

Note 27. Related party disclosures as required by Ind AS 24

a) List of related parties and relationships

Key management personnel

Mr Ketan M Shah	Director
Mrs Sangeeta K Shah	Director
Mr. Anup Kumar Das	Director
Mr. Ashish Tayal	CFO (KMP)

Other related parties

Simplex Castings Limited

	(Amount in Rs.'000)	
	As at	As at
	31.03.2022	31.03.2021
b) Transactions with related parties are as follows:		
Interest received on Advances	432.38	405.87
Director Sitting fees	Nil	Nil

c) Balances outstanding from related parties are as follows:

Loans and advances given/(accepted)	3,690.77	3,813.43
Investments	1,775.12	742.68

All transactions with these related parties are priced on an arm's length basis. None of the balances are secured.

Disclosures as per Regulation 53(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulations, 2015).

Loans and advances in the nature of loans given in which directors are interested as under:

Name	(Amount in Rs.'000)	
	As at	As at
	31.03.2022	31.03.2021
Simplex Castings Ltd	3,690.77	3,813.43
(Maximum balance outstanding during the year)	7,813.43	3,813.43

Note 28. Under the Micro, Small and Medium Enterprises Development Act, 2006

Based on the intimation received by the Company, there are no Micro, Small & Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2021. This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the information available with the Company.



HEM HOLDINGS & TRADING LIMITED
Notes forming Part of Standalone Financial Statements as at 31st March 2022 (Contd.)

Note-29. Disclosures required in terms of Annexure XIV of the RBI Master Direction DNBR. PD. 008/03.10.119/2016-17 dated 1 September 2016 (updated as on 22 February 2019) "Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 are mentioned as below:

	(Amount in Rs.'000)	
	As at	As at
	31.03.2022	31.03.2021
Note 29.1. Capital		
i) CRAR (%)	110.87%	206.84%
ii) CRAR - Tier I capital (%)	110.85%	206.84%
iii) CRAR - Tier II capital (%)	0.02%	-
iv) Amount of subordinated debt raised as Tier-II capital		
v) Amount raised by issue of perpetual debt instruments		
<i>Note: CRAR % as on 31.03.2021 of 206.84% was taken and accepted as per Audited Financial Statement of Previous Year.</i>		

Note 29.2. Investments

1. Value of investments

(i) Gross value of investments

	As at	As at
	31.03.2022	31.03.2021
(a) In India	1,775.12	742.68
(b) Outside India	-	-

(ii) Provisions for depreciation

(a) In India	-	-
(b) Outside India	-	-

(iii) Net value of investments

(a) In India	1,775.12	742.68
(b) Outside India	-	-

2. Movement of provisions held towards depreciation on investments.

(i) Opening balance	-	-
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write-off/ write-back of excess provisions during the year	-	-
(iv) Closing balance	-	-

Note 29.3 Derivatives

The Company has not entered into any derivative transactions and hence the disclosure required has not been made.

Note 29.4 Disclosures relating to securitization

The Company has not entered into any securitization / assignment transactions and hence the disclosure required has not been made.

Note 29.5 Details of financial assets sold to securitization L reconstruction Company for asset reconstruction

The Company has not sold financial assets to securitization / reconstruction Company for asset reconstruction during the year (previous year Nil)

Note 29.6 Details of assignment transactions undertaken by NBFCs

The Company has not undertaken any assignment transactions and hence the disclosure required has not been made.

Note 29.7 Details of non-performance financial assets purchased/ sold.

The Company has not purchased or sold non-performing financial assets during the year (previous year Nil).



HEM HOLDINGS & TRADING LIMITED
Notes forming Part of Standalone Financial Statements as at 31st March 2022 (Contd.)

Note 29.8 Asset liability management maturity pattern of certain items of assets & liabilities.

(Amount in Rs.'000)

	1 day to 30/31 days(one month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to One year	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 years	Total
Bank Fixed Deposits	-	-	-	-	-	-	-	-	-
Receivables (Others)	-	-	-	-	-	-	12,548.04	-	12,548.04
Advances	-	-	-	-	3,690.77	-	-	-	3,690.77
Investments	-	-	-	-	-	-	-	1,775.12	1,775.12
Borrowings	-	-	-	-	-	-	-	-	-
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-



Note 29.9 Exposure to Real Estate Sector

The Company has no exposure to real estate sector.

(Rs. '000)**Note 29.10 Exposure to Capital Market**

	As at 31.03.2022	As at 31.03.2021
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	1,775.12	742.68
(ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	Nil	Nil
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	Nil	Nil
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds Elsewhere the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	Nil	Nil
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market	Nil	Nil
(vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	Nil	Nil
(vii) Bridge loans to companies against expected equity flows / issues;	Nil	Nil
(viii) All exposures to venture capital funds (both registered and unregistered)	Nil	Nil
Total exposure to capital market	1,775.12	742.68

Note 29.11 Details of financing of parent company products - Not applicable**Note 29.12 Details of Single Borrower Limit ("SGL") Group Borrower Limit ("GBL") exceeded by the NBFC**

As at 31.03.22 As at 31.03.21
(Rs. '000)

i) Loans and advances given, excluding advance funding but including off-balance sheet exposures to any single party in excess of 15 per cent of owned fund of the NBFC:	3,690.78	3,813.43
ii) Loans and advances to (excluding advance funding but including debentures/bonds and off-balance sheet exposures) and investment in the shares of single party in excess of 25 per cent of the owned fund of the NBFC:	5,465.89	4,556.11



Note 29.13 Unsecured advances

- a) Refer Note no. 6(B)(ii) to the financial statements.
- b) The Company has not granted any advances against in taking securities (31st March 2021: Nil).



Note 29.14 Registration number obtained from RBI:

The registration no is - 13.00182 vide certificate dtd. 02.03.1998

Note 29.15 Disclosure of penalties imposed by RBI and other regulators

During the financial year ended 31 March 2022, no penalties have been imposed by RBI and other regulators (31 March 2021: Nil).

Note 29.16 Ratings assigned by credit rating agencies and migration of ratings during the year -

The Company has not got its credit rating done by any rating agency.

Note 29.17 Remuneration of directors

The company has not paid any remuneration to its directors during the year

Note 29.18 Provisions and contingencies

The information on all provisions and contingencies is as under:

Break up of 'provisions and contingencies' under the head expenditure in the statement of Profit & Loss

	As at 31.03.2022	As at 31.03.2021
Provision for depreciation on investment	-	-
Provision towards impaired assets(Stage 3)	-	-
Provision made towards income tax	-	-
Provision towards impaired assets (Stage1 and 2)	-	-
Provision for employee benefits	-	-

Note 29.19 Draw-down from reserves

The Company has made no drawdown from existing reserves.

Note 29.20 Concentration of deposits (for deposit taking NBFCs)- Not Applicable

(Rs.'000)

Note 29.21 Concentration of Advances

Total advances given to twenty largest borrowers
Percentage of advances to twenty largest borrowers to total advances of the NBFC.

	As at 31.03.2022	As at 31.03.2021
Total advances given to twenty largest borrowers	3,690.78	3,813.43
Percentage of advances to twenty largest borrowers to total advances of the NBFC.	100%	100%

Note 29.22 Concentration of exposures

Total exposure to twenty largest borrowers/ customers
Percentage of exposures to twenty largest borrowers/ customers to total exposure of the NBFC on borrowers

	As at 31.03.2022	As at 31.03.2021
Total exposure to twenty largest borrowers/ customers	3,690.78	3,813.43
Percentage of exposures to twenty largest borrowers/ customers to total exposure of the NBFC on borrowers	100%	100%

Note 29.23 Concentration of Stage 3 assets

Total exposure to top four Stage 3 accounts

	As at 31.03.2022	As at 31.03.2021
Total exposure to top four Stage 3 accounts	Nil	Nil



**Note 29.24 Sector-wise Stage 3 assets
(Gross)**

**% of Stage 3 assets to
Total Advances in
that sector as at
31.03.2022**

**% of Stage 3 assets to
Total Advances in that
sector as at 31.03.2021**

Sector		
(i) Agriculture and allied activities	Nil	Nil
(ii) MSME	Nil	Nil
(iii) Corporate borrowers	Nil	Nil
(iv) Services	Nil	Nil
(v) Unsecured personal loans	Nil	Nil
(vi) Auto loans	Nil	Nil
(vii) Other personal loans	Nil	Nil



Note 29.25 Movement of Stage 3 assets

	As at <u>31.03.2022</u>	As at <u>31.03.2021</u>
(i) Net stage 3 assets to net advances (%)	Nil	Nil
(ii) Movement of stage 3 assets (gross)		
(a) Opening balance	Nil	Nil
(b) Additions during the year	Nil	Nil
(c) Reductions during the year	Nil	Nil
(d) Closing balance	Nil	Nil
(iii) Movement of net stage 3 assets		
(a) Opening balance	Nil	Nil
(b) Additions during the year	Nil	Nil
(c) Reductions during the year	Nil	Nil
(d) Closing balance	Nil	Nil
(iv) Movement of provisions for stage 3 assets (Excluding provisions on standard assets)		
(a) Opening balance	Nil	Nil
(b) Provisions made during the year	Nil	Nil
(c) Write-off / write-back of excess provisions	Nil	Nil
(d) Closing balance	Nil	Nil

Note 29.26 Overseas assets (for those with joint ventures and subsidiaries abroad)

There are no overseas asset owned by the Company.

Note 29.27 Off-balance sheet SPVs sponsored (which required to be consolidated per accounting norms)

The company is now required to provide its financial statements under Ind AS, which require all securitization related SPV's to be consolidated in the books of the originator (the Company). Accordingly, there are no SPV's sponsored during the year.

Note .29.28 Disclosure of customers complaints

	As at <u>31.03.2022</u>	As at <u>31.03.2021</u>
(a) No. of complaints pending at the beginning of the year	-	-
(b) No. of complaints received during the year	-	-
(c) No. of complaints redressed during the year	-	-
(d) No. of complaints pending at the end of the year	-	-



8. Measurement of fair values

i) Valuation techniques and significant unobservable inputs

The carrying amounts of financial assets and liabilities which are at amortized cost are considered to be the same as their fair values as there is no material differences in the carrying values presented.

ii) Financial instruments fair value

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurement).

The categories used are as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices;

Level 2: The fair value of financial instruments that are not traded in active market is determined using valuation technique which maximizes the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value on instrument are observable, the instrument is included in level 2; and

Level 3: If one or more of significant input is not based on observable market data, the instrument is included in level 3.

iii) Transfers between levels I and II

There has been no transfer in between level 1, level 2 and level 3

C. Capital

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the local banking supervisor, RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are consider the purpose of Company's capital management.



Note 30

Information as required in terms of Paragraph 13 of the RBI Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September Q.1 2016 "Master Direction: Non-Banking Financial Company: Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 are mentioned as below:

Liabilities side:

(Rs. '000)

Note 30.1 Loans and advances availability the NBFCs Inclusive of interest accrued thereon but not paid

		As at 31.03.2022	As at 31.03.2021	Amount Overdue
(a) Debentures (excl Public deposits)	-Secured	Nil	Nil	Nil
	-Unsecured	Nil	Nil	Nil
(b) Deferred credits		Nil	Nil	Nil
(c) Term loans		Nil	Nil	Nil
(d) Inter-corporate loans and borrowing		Nil	Nil	Nil
(e) Commercial paper		Nil	Nil	Nil
(f) Other loans:	- From Banks	Nil	Nil	Nil
	- From a company	Nil	Nil	Nil
	- Security deposits	Nil	Nil	Nil
	- Advances received against loan agreements	Nil	Nil	Nil

Note 30.2 Break-up of (1)(f) above (outstanding public deposits inclusive of interest accrued thereon but not paid)

	As at 31.03.2022	As at 31.03.2021	Amount Overdue
(a) In the form of unsecured debentures	Nil	Nil	Nil
(b) In the form of partly secured debentures i.e., debentures where there is a shortfall in the value of security	Nil	Nil	Nil
(c) Other public deposits	Nil	Nil	Nil

Assets side:

(Rs.' 000)

Note 30.3 Break-up of loans and advances including bills receivables (other than those included in (4) below)

	Amount Outstanding	As at 31.03.2022	As at 31.03.2021
(a) Secured		Nil	Nil
(b) Unsecured		3,690.77	3,813.43

Note 30.4 Break UP of leased assets and stock on hire and other assets counting towards AFC activities

	Amount Outstanding	As at 31.03.2022	As at 31.03.2021
(i) Lease assets including lease rentals under sundry debtors:			
(a) Financial lease		NA	NA
(b) Operating lease		NA	NA
(ii) Stock on hire including hire charges under sundry debtors:			
(a) Assets on hire		NA	NA
(b) Repossessed assets		NA	NA
(iii) Other loans counting towards AFC activities			
(a) Loans where assets have been repossessed		NA	NA
(b) Loans other than (a) above		NA	NA



Note 30.5 Break-up of investments**Current investments:****(Rs. '000)****Amount outstanding****As at 31.03.2022 As at 31.03.2021****1 Quoted:**

(i) Shares:	Nil	Nil
(a) Equity	Nil	Nil
(b) Preference	Nil	Nil
(ii) Debentures and bonds	Nil	Nil
(iii) Units of mutual funds	Nil	Nil
(iv) Government securities	Nil	Nil
(v) Others (please specify)	Nil	Nil

2 Unquoted:

(i) Shares:	Nil	Nil
(a) Equity	Nil	Nil
(b) Preference	Nil	Nil
(ii) Debentures and bonds	Nil	Nil
(iii) Units of mutual funds	Nil	Nil
(iv) Government securities	Nil	Nil
(v) Others (please specify)	Nil	Nil

Long term investments:**Quoted:**

(i) Shares:	1,775.12	742.68
(a) Equity	1,775.12	742.68
(b) Preference	Nil	Nil
(ii) Debentures and bonds	Nil	Nil
(iii) Units of mutual funds	Nil	Nil
(iv) Government securities	Nil	Nil
(v) Others (please specify)	Nil	Nil

Unquoted:

(i) Shares:	Nil	Nil
(a) Equity	Nil	Nil
(b) Preference	Nil	Nil
(ii) Debentures and bonds	Nil	Nil
(iii) Units of mutual funds	Nil	Nil
(iv) Government securities	Nil	Nil
(v) Others (please specify)	Nil	Nil



Note 30.6 Borrower group-wise classification of assets financed as in (3) and (4) above: (Rs. '000)

	Amount outstanding Category	Amount net of provisions		
		Secured	Unsecured	Total
1	Related parties **			
	(a) Subsidiaries	Nil	Nil	Nil
	(b) Companies in the same group	Nil	3,690.77	3,690.77
	(c) Other related parties	Nil	Nil	Nil
2	Other than related parties	Nil	Nil	Nil
	Total	Nil	3,690.77	3,690.77

Note 30.7 Investor group-wise classification of all investments shares and securities (both quoted and unquoted):

	Category	Market	Book value
		value/breakup of fair value or NAV	(net of provisions)
			(Rs. '000)
1	Related parties **		
	(a) Subsidiaries	Nil	Nil
	(b) Companies in the same group	1,775.12	742.68
	(c) Other related parties	Nil	Nil
2	Other than related parties	Nil	Nil
	Total	1,775.12	742.68

** As per Ind As issued by MCA (refer note below)

Note 30.8 Other information

	Amount outstanding	(Rs. '000)	
		As at 31.03.2022	As at 31.03.2021
(i) Gross non-performing assets			
(a) Related parties		Nil	Nil
(b) Other than related parties		Nil	Nil
(ii) Net non-performing assets			
(a) Related parties		Nil	Nil
(b) Other than related parties		Nil	Nil
(iii) Assets acquired in satisfaction of debt		Nil	Nil

Note All Ind AS issued by MCA are applicable including for valuation of investments and other assets as also, assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.



HEM HOLDINGS & TRADING LIMITED
Notes forming Part of Standalone Financial Statements as at 31st March 2022 (Contd.)

Note 31. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled.

	(Rs. In '000)			
	As at 31-03-2022		As at 31-03-2021	
	Within 12 Months	After 12 Months	Within 12 Months	After 12 Months
ASSETS				
Financial assets				
Cash and cash equivalents	3,070.04	-	6,402.29	-
Receivables	-	12,548.04	-	12,548.04
Loans	-	3,690.77	-	3,813.43
Investments	-	1,775.12	-	742.68
Other financial assets	-	2.05	-	2.05
Non-financial assets				
Income tax assets (Net)	-	73.68	-	50.27
Deferred tax Assets (Net)	-	-	-	300.73
Property, plant and equipment	-	3,234.05	-	121.72
Total assets	3,070.04	21,323.71	6,402.29	17,578.91
LIABILITIES				
Financial liabilities				
Trade payables				
Total Outstanding dues of creditors other than micro enterprises and small enterprises	105	-	102	-
Other financial liabilities	-	-	-	-
Non-financial liabilities				
Current Tax Liabilities (Net)	-	-	-	-
Deferred Tax Liabilities (Net)	-	1.69	-	-
Other Non financial liabilities	3	-	1,142	-
Total Liabilities	108	1.69	1,244	-

Note 32. Financial instrument and fair value measurement

A. Accounting classifications and fair values

The carrying amount and fair value of financial instruments including their levels in the fair value hierarchy presented below:

As at March 2022	Carrying Amount	(Rs. '000)		
		Fair Value (Rs.)		
		Level 1	Level 2	Level 3
Financial Assets at fair value through OCI				
Investments	1,775.12	1,775.12		
Total	1,775.12	1,775.12		
Financial assets at amortized cost				
Cash and Cash equivalents	3,070.04	-		
Loans	3,690.77	-		
Security Deposits	2.05	-		
Total	6,762.86	-		
Financial Liabilities at amortized cost				
Trade Payables	104.74	-		
Other Financial Liabilities	-	-		
Total	104.74	-		

As at March 2021	Carrying Amount	(Rs. '000)		
		Fair Value (Rs.)		
		Level 1	Level 2	Level 3
Financial Assets at fair value through OCI				
Investments	742.68	742.68		
Total	742.68	742.68		
Financial assets at amortized cost				
Cash and Cash equivalents	6,318.46	-		
Loans	3,813.43	-		
Security Deposits	2.05	-		
Total	10,133.94	-		
Financial Liabilities at amortized cost				
Trade Payables	102.50	-		
Other Financial Liabilities	-	-		
Total	102.50	-		

The Company has not disclosed the fair values for cash and cash equivalents, receivables, loans, security deposits, trade payables and other financial liabilities as their carrying amounts are a reasonable approximation of fair value.



C.1 Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize share holder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to share holders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

C.2 Capital adequacy ratios

	As at <u>31.03.2022</u>	As at <u>31.03.2021</u>
Tier 1 Capital	24279122	23877559
Tier 2 Capital	4798	
Total Capital	24283920	23877559
Risk weighted assets		
Tier 1 Capital Ratio (%)	110.85%	206.84%
Tier 2 Capital Ratio (%)	0.02%	
Total 1 Capital Ratio (%)	110.87%	206.84%

Tier 1 capital consists of shareholders' equity and retained earnings. Tier 2 capital consists of general provision and loss reserve against standard assets and subordinated debt (subject to prescribed discount rates and not exceeding 50% of Tier 1).

Note: CRAR % as on 31.03.2021 of 206.84% was taken and accepted as per Audited Financial Statement of Previous Year.

Note33 Employee benefit plan

Disclosure in respect of employee benefits under Ind AS19-Employee Benefit areas under:

As there is no permanent employee as on the date on balance sheet the same has not made applicable

Note34 Financial risk management objectives and policies

While risk is inherent in the company's activities, it is managed through an integrated risk management framework, including ongoing identification. Measurement and monitoring, subject to risk limits and other controls.

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Risk Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Risk Committee is responsible for managing risk decisions and monitoring risk levels and reports to the Supervisory Board.

The company's management is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the company.



a) Credit risk

The company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counter parties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

Financial assets measured on a collective

The company splits its exposure into smaller homogeneous portfolios, based on shared credit risk characteristics, as described below in the following order:

Loans are Secured

If the loans are determined to be secured

-Nature of loan i.e., based on the nature of loan



Significant increase in credit risk

The company considers an exposure to have significant increase in credit risk when the borrower crosses 30 DPD but is within 90 DPD.

Impairment assessment

The company considers a financial instrument defaulted and therefore stage 3 (credit impaired) for ECL calculations in all cases when the borrower crosses 90 days past due on its contractual payments.

Exposure at default

The exposure at default (EAD) represents the gross carrying amount of the financial instrument subject to the impairment calculation.

Loss given default

The credit risk assessment is based on a standardized LGD assessment framework that incorporates the probability of default and subsequent recoveries, discounted.

Current economic data and forward-looking economic forecasts and scenarios are used in order to determine the Ind AS 109 LGD rate. The company uses data obtained from third party sources and combines such data with inputs to the Company's ECL models including determining the weights attributable to the multiple scenarios.

Analysis of risk concentration

Of the Company's loans.

	As at <u>31.03.2022</u>	As at <u>31.03.2021</u>
Carrying value of Loans	3690773	3813431
Mortgage-backed loans		
other assets backed loans		
Personal loans		
Others	<u>3690773</u>	<u>3813431</u>
Total	<u>3690773</u>	<u>3813431</u>

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

During the year the company has not advanced loan to any third party.

The company also obtains guarantees from parent companies for loans to their subsidiaries. Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement.

Collateral coverage-credit impaired loans

Nil

b) Liquidity risk and funding management



Liquidity risk arises because of the possibility that the Group might be unable to meet its payment obligations when they fall due as a result of mismatch in the timing of cash flows under both normal and stress circumstances. To limit this risk, management has devised for diversified funding sources, and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on daily basis.

Maturity profile of financial liabilities

Since the company no financial liabilities in the form of borrowing, the maturity profiles of the undiscounted cash flows are not applicable.

c) Market risk

Market risk represents the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

Note 35 Revenue from contracts with customers.

During the year the company did not earn revenue from Contracts with customers and hence reconciliation to profit and loss account is not applicable

Note 36 Events occurring after the balance sheet date

There have been no events after the reporting date that require disclosure in these financial statements.

Note 37 Standards issued but not yet effective

There are neither new standards nor amendments to existing standards which are effective for the annual period beginning from 1st April 2021.

Note 38 Previous year comparatives

Previous year's figures have been regrouped/reclassified wherever necessary, to conform to current year's classification.

In terms of our report of even date attached

**For M/s Harsh Jain & Association
(Chartered Accountant)**

FRN- 007639



**CA Harsh Jain
(Partner)**

M.No. 076736

UDIN- 22076736AJSEIB3099

Place: Durg

Date : 27.05.2022

Liquidity risk arises because of the possibility that the Group might be unable to meet its payment obligations when they fall due as a result of mismatch in the timing of cash flows under both normal and stress circumstances. To limit this risk, management has devised for diversified funding sources, and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on daily basis.

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In terms of our report of even date attached

For M/s Harsh Jain & Associates

(Chartered Accountants)

FRN- 007639C

CA Harsh Jain
(Partner)

Mem. No.076736

UDIN- 22076736AJSEIB3099

Date: 27.05.2022

Place: Durg



Anish
(C.F.O)

For and on behalf of Board of Directors
Hem Holding And Trading Limited.

HEM HOLDINGS AND TRADING LTD.

Devan
DIRECTOR

HEM HOLDINGS AND TRADING LTD.

Jain
DIRECTOR

Koeta
(C.S)