



Hind Commerce Limited

Annual Report 2015-16

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BOARD OF DIRECTORS

Mr. Ujwal R. Lahoti
Mr. Umesh Lahoti
Mr. Prakash R. Bang
Mr. Sanjay R. Soni
Ms. Meghna Panchal

COMPANY SECRETARY and COMPLIANCE OFFICER

Ms. Pragati Sawant

CHIEF FINANCIAL OFFICER

Mr. Rajesh Bangera

STATUTORY AUDITORS

M/s. K. K. Khadaria & Co.,
401-A, Pearl Arcade, Opp. P. K. Jewellers,
Off. J.P. Road, Andheri (E), Mumbai – 400 053.

BANKERS

Punjab National Bank
Axis Bank Limited
Oriental Bank of Commerce

REGISTERED OFFICE

307, Arun Chambers, Tardeo Road,
Mumbai – 400 034.
Tel. No. +91-22-4050 0100 | Fax. No. +91-22-4050 0140
Email: investor@hindcommerce.com
Web: www.hindcommerce.com

REGISTRARS & SHARE TRANSFER AGENTS

LINK INTIME (INDIA) PRIVATE LIMITED

C- -13, Pannalal Silk Mills Compound,
L.B.S.Marg, Bhandup (West),
Mumbai - 400078..
Tel No.: +91-22-25963838 | Fax No.:+91-22-25346969.
E-mail: rnt.helpdesk@linkintime.com | Web: www.linkintime.co.in

Corporate Identity Number (CIN): L51900MH1984PLC085440

Directors' Report

TO THE MEMBERS OF HIND COMMERCE LIMITED

The Directors take pleasure in presenting the Thirtieth Annual Report along with Audited Financial Statements of your Company and its subsidiaries for the Financial Year ended 31st March, 2016.

Financial Highlights

The financial performance of the Company, for the year ended 31st March, 2016 is summarized below:

Particulars	Standalone For the Financial Year Ended		Consolidated For the Financial Year Ended	
	31 st March, 2016	31 st March, 2015	31 st March, 2016	31 st March, 2015
Gross Income	196.74	247.01	196.78	247.01
Gross Profit before, Depreciation and Tax	25.68	26.65	25.56	26.55
Less: Depreciation	-	-	-	-
Profit Before Tax	25.68	26.65	25.56	26.55
Provision for Tax				
Current Tax	6.07	4.47	6.07	4.47
Deferred Tax	-	-	-	-
MAT Credit	-	(3.59)	-	(3.59)
Tax Adjustment of previous year	0.50		0.50	
Profit after Tax before period items	20.09	25.78	19.97	25.67
Prior period adjustment	-	-	-	
<u>Add: Excess Provision written Back</u>	-	-	-	
Balance b/f from previous year	408.35	382.57	407.96	382.29
Amount available for appropriation	428.44	408.35	427.93	407.96
Less: Proposed Dividend	-	-	-	-
Corporate Dividend Tax	-	-	-	-
Transferred to General Reserves	-	-	-	-
<u>Add: Excess provision for Dividend</u>	-	-	-	-
Balance carried to Balance Sheet	428.44	408.35	427.93	407.96

Results of Operations

During the year under review your Company has reported a total income of Rs. 196.74 Lakhs when compared to Rs. 247.01 Lakhs for previous years as reported in the Standalone Financials.

Dividend

Owing to inadequacy of profit, no Dividends are recommended for the year under review.

Transfer to Reserves

Since there is no dividend for the year under review, transfer of funds to the reserves is not required.

Nature of Business and Changes therein

The Company is engaged in the business of trading of Cotton textiles and to specialize in the export of quality Cotton Yarns and fabrics in both domestic and international trading.

During the year under review, there has been no change in the nature of business of the Company.

Management Discussion and Analysis Report

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Management Discussion and Analysis of the financial condition and results of consolidated operations of the Company under review, is annexed and forms an integral part of the Directors' Report.

Material changes and commitments affecting financial position between the end of the financial year and date of report

There have been no material changes and commitments, if any, affecting the financial position of the Company between the end of the financial year to which the financial statements relate and the date of report.

Associate and Subsidiary Companies

The Company as on March 31, 2016 have 1 (One) Wholly Owned Subsidiary, viz. **Crystal Tradecom Limited**.

During the year, the Board of Directors ('the Board') reviewed the affairs of the subsidiary. In accordance with Section 129(3) of the Companies Act, 2013, we have prepared consolidated financial statements of the Company and subsidiary, which form part of the Annual Report. Further, a statement containing the salient features of the financial statement of our subsidiary and details relating to Associate Company in the prescribed format AOC-1 is appended as **Annexure 1** to the Board's report. The statement also provides the details of performance, financial positions of each of the subsidiary. In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of its subsidiary will be available for inspection during business hours at the Registered office of the Company.

No Independent Director on the Board of the Company is required to be inducted on the Board of its subsidiary since it is a neither material nor-listed subsidiary Company as defined under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The Audit Committee of the Company

reviews the financial statements of the unlisted subsidiary company. The minutes of the Board meetings of unlisted subsidiary company are regularly placed at the Board meetings of the Company.

Deposit

During the year under review, your Company did not accept any deposits in terms of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014.

Particulars of Contracts or Arrangements with Related Parties

Section 188 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 specifies the requirement for approval of the Board and/or the Members, as and when applicable in related party transactions in relation to contracts/arrangements.

During the year under review the Company has not entered into related party transactions as per the provisions of Section 188 of the Companies Act, 2013. Thus disclosure in Form AOC-2 is not required. Further there are no materially significant related party transactions during the year under review made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company.

The Company has formulated a related party transactions policy and the same is displayed on the website of the company viz. <http://hindcommerce.com/pdf/policy-on-related-party-transaction-and-materiality-of-related-party-transaction.pdf>

Particulars of Loans, Guarantees and Investments

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

Board of Directors

As per the requirements of Section 149, 152 of the Companies Act, 2013 (the Act) and such other applicable provisions of the Act and as per the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, which defines the composition of the Board, the Board of Directors of the Company have been constituted in compliance with the said Sections.

Further at the time of appointment of an Independent Director, the Company issues a formal letter of appointment detailing their role and function in the Company, the format of the letter of appointment whereof is available on the website of the Company at: <http://hindcommerce.com/pdf/Letter%20of%20Appointment%20to%20Independent%20Directors.pdf>

As on the date of this report, the Company's Board consists of the following Independent Directors:

1. Mr. Prakash Ramchandra Bang
2. Mr. Sanjay Rajendra Soni
3. Ms. Meghna Panchal

The aforementioned Directors at point 1 and 2 who have been acting as Independent Directors prior to commencement of the Companies Act, 2013 have been appointed in compliance with Section 149 of

the Companies Act, 2013, wherein their tenure of 5 years is effected from 1st April, 2014 till 31st March, 2019 through a formal letter of appointment.

Further, Ms. Meghna Panchal has been appointed as an Independent Director for a term of 5 years from September 28, 2015 upto September 27, 2020 at the annual general meeting held on September 28, 2015

1. Re-appointments

Pursuant to provisions of section 152(6) of the Companies Act, 2013, Mr. Ujwal Lahoti, Director of the Company, retires by rotation at the ensuing Annual General Meeting and, being eligible, offer himself for reappointment.

2. Retirements and Resignations

There have been no Directors who have retired or resigned the office of Directorship during the year under review except Mr. Ujwal Lahoti who retires by rotation as per Section 152(6) of the Companies Act, 2013 and offers himself for reappointment.

Committees of Board

The Board has 3 Committees: Audit Committee, Stakeholder's Relationship Committee and Nomination and Remuneration Committee. A detailed note on the Compositions, functions of the Board and Committee are as provided below:

1. Audit Committee

The Audit Committee comprises of the following members:

Name of the Director	Designation in the Committee
Mr. Prakash Ramchandra Bang (Independent Director)	Chairman
Mr. Ujwal R. Lahoti (Non - Executive Director)	Member
Mr. Sanjay Rajendra Soni (Independent Director)	Member
Ms. Pragati P. Sawant (Company Secretary)	Secretary

The Chairman of the Committee is Mr. Prakash R. Bang and Mr. Ujwal R. Lahoti and Mr. Sanjay Rajendra Prasad are the members. The Committee held 4 (Four) meetings during the year. All the members of the Committee are Non-executive Directors. All the members are financially literate and have accounting / related financial management expertise.

The Role, function, responsibility and constitution of the Audit Committee is in accordance to the provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Audit Committee functions according to its Charter that defines its composition, authority, responsibilities and reporting functions. The terms of reference of the Audit Committee, inter alia, includes the following function:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending to the Board of Directors, the appointment, re-appointment, terms of appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors
- Reviewing with the management the annual financial statements before submission to the Board of Directors for approval, with particular reference to:

- Matters required to be included in the director's responsibility statement to be included in the Board of Directors' report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
- Changes, if any, in accounting policies and practices and reasons for the same;
- Major accounting entries involving estimates based on the exercise of judgment by management;
- Significant adjustments made in the financial statements arising out of audit findings;
- Compliance with listing and other legal requirements relating to financial statements;
- Disclosure of any related party transactions;
- Qualifications in the draft audit report;
- Reviewing with the management the quarterly financial statements before submission to the Board of Directors for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing with the management the performance of statutory and internal auditors and the adequacy of internal control systems
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board of Directors;
- Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as have post-audit discussion to ascertain any area of concern
- To look into the reasons for substantial defaults in payments to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the whistle blowing mechanism;

- Approval of appointment of the chief financial officer (i.e. the whole time finance director or any other person heading the finance function or discharging that function) after assessing, amongst others, the qualifications, experience and background of the candidate;
- Review & monitor the auditor's independence and performance and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans & investments;
- Valuation of undertakings or assets of the company;
- Evaluation of internal financial controls and risk management systems;
- Examination of the financial statement and the auditor's report thereon;
- Monitoring the end use of funds raised through public offers and related matters;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- To investigate any activity within its terms of reference;
- To have full access to information contained in the records of the Company;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

2. Stakeholder's Relationship Committee

Name of the Director	Designation in the Committee
Ms. Meghna Vijay Panchal (Independent Director)	Chairperson
Mr. Umesh Lahoti (Managing Director)	Member
Mr. Ujwal Lahoti (Non-Executive Director)	Member

In order to comply with the provisions of Section 178 of the Companies Act, 2013, the nomenclature of Shareholders' / Investors' Grievance Committee was changed to Stakeholders Relationship Committee with revised role which also includes to consider and resolve the grievances of all stakeholders of the Company.

The terms of reference of Stakeholders Grievances Committee inter alia includes the following:

- Redressal of Shareholders', debenture holders' and other security holders' investors complaints including complaints related to transfer of shares;
- Allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- Issue of duplicate certificates and new certificates on split/consolidation/renewal;
- Non-receipt of declared dividends, balance sheets of the Company; and
- Carrying out any other function as prescribed under in the Listing Agreement.

3. Nomination and Remuneration Committee

Name of the Director	Designation in the Committee
Mr. Prakash Ramchandra Bang (Independent Director)	Chairman
Mr. Sanjay Rajendra Soni (Independent Director)	Member
Ms. Meghna Panchal (Independent Director)	Member

In Compliance with Section 178 of the Companies Act, 2013 and as specified in the amended Listing Agreement being effective from 1st October, 2014, the Board constituted the Nomination and Remuneration Committee comprising of Three (3) Non-Executive Independent Directors of the Company with the following role and function:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies.
- To formulate criteria for evaluation and carry out evaluation of the performance of Directors, as well as Key Managerial, Independent Directors and Senior Management Personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

- To ensure no violation, by an employee of any applicable laws in India or overseas, including:
 - i. The Securities and Exchange Board of India (Insider Trading) Regulations, 1992; or
 - ii. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995.
- To formulate detailed terms and conditions of employee stock option schemes including details pertaining to quantum of options to be granted, conditions for lapsing of vested options, exercise period, adjustments for corporate actions and procedure for cashless exercise and perform such other functions as are required to be performed by the Remuneration Committee under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended (“ESOP Guidelines”), in particular, those stated in Clause 5 of the ESOP Guidelines; as and when required.
- To devise a policy on Board diversity
- To Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- To develop a succession plan for the Board and to regularly review the plan

In compliance with the provisions of Section 178 of the Companies Act, 2013, the Board of Directors in consultation with the Nomination and Remuneration Committee has formulated the Nomination and Remuneration Policy. The Policy has been divided into three parts: Part – A covers the matters to be dealt with and recommended by the Committee to the Board, Part – B covers the appointment and nomination and Part – C covers remuneration and perquisites etc.

Briefly the formulated policy comprises of the following:

- i. Appointment criteria and qualification - setting up of criteria and positive attributes and independence for identification and selection of directors, KMP and Senior Management positions
- ii. Recommendation to the Board on appointment and removal of Directors, KMP and Senior Management Personnel
- iii. Specifying the term and tenure of the Director
- iv. Procedure and criteria for evaluation of Performance of every Director
- v. Removal and Retirement of Directors
- vi. Remuneration Structure of Whole-time Director, KMP and Senior Management Personnel
- vii. Remuneration structure of Non- Executive / Independent Director

The Nomination and Remuneration Policy has been posted on the website of the Company <http://hindcommerce.com/pdf/nomination-and-remuneration-policy.pdf>

Declaration by Independent Directors

Mr. Prakash Ramchandra Bang, Mr. Sanjay Rajendra Soni and Ms. Meghna Panchal are the Independent Directors on the Board of the Company. The Company has received the declaration from all the Independent Directors confirming that they meet the criteria as set out in the provisions of Section 149(6) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

Companies Policy on Director's Appointment and Remuneration

The Remuneration policy of the Company comprises inter alia the aims and objectives, principles of remuneration, guidelines for remuneration to Executive and Non-Executive Directors and Key Managerial Personnel and criteria for identification of the Board Members and appointment of Senior Management.

The Criteria set out identification of the Board members are given hereunder:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

The Nomination and Remuneration Policy has been posted on the website of the Company <http://hindcommerce.com/pdf/nomination-and-remuneration-policy.pdf>

Annual Evaluation of the Board

As per the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Board conducted the Annual Evaluation of the Board, on its own performance and of the Directors, individually as well as the evaluation of the working of the Committees of the Board.

A structured questionnaire was prepared after taking into consideration various aspects of Board's functioning, composition of Board and Committees, culture, execution and performance of specific duties, obligations and governance.

The Board of Directors expressed their satisfaction.

Number of Meetings of the Board of Directors

The Board meets at least once in each quarter inter alia to review the quarterly results. In addition the Board also meets whenever necessary. The Board periodically reviews compliance reports of all laws applicable to the Company. Steps are taken by the Company to rectify instances of non-compliances, if any.

The Board of Directors (hereinafter referred to as “the Board”) met for Four (4) number of times during the Year under review:

Sr. No.	Date of Meetings	Venue and time of the meeting	Directors present	Directors to whom Leave of absence was granted
1.	27/05/2015	Venue: Regd office - 307, Arun Chambers, Tardeo Road, Mumbai – 400034 Time: 03.00.p.m.	1. Mr. Ujwal R Lahoti 2. Mr. Umesh R Lahoti 3. Mr. Sanjay Rajesndra Soni 4. Mr. Prakash R Bang 5. Ms. Meghna Panchal	-
2.	14/08/2015	Venue: Regd office - 307, Arun Chambers, Tardeo Road, Mumbai – 400034 Time: 03.00.p.m.	1. Mr. Ujwal R Lahoti 2. Mr. Umesh R Lahoti 3. Mr. Sanjay Rajesndra Soni 4. Mr. Prakash R Bang 5. Ms. Meghna Panchal	-
3.	26/10/2015	Hotel InterContinental, 135, Marine Drive, Mumbai-400 020 Time: 03.30.p.m.	1. Mr. Ujwal R Lahoti 2. Mr. Umesh R Lahoti 3. Mr. Prakash R Bang 4. Ms. Meghna Panchal	1. Mr. Sanjay Rajesndra Soni
4.	03/02/2016	Venue: Regd office - 307, Arun Chambers, Tardeo Road, Mumbai – 400034 Time: 04.00.p.m.	1. Mr. Ujwal R Lahoti 2. Mr. Umesh R Lahoti 3. Mr. Sanjay Rajesndra Soni 4. Mr. Prakash R Bang 5. Ms. Meghna Panchal	-

Appointment and Resignation of Key Managerial Personnel

None of the Key Managerial Personnel were appointed or resigned during the year under review.

Vigil Mechanism/Whistle Blower

As per the provisions of Section 177(9) and 177(10) of the Companies Act, 2013 and as per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company has a Whistle Blower Policy to report genuine concerns or grievances and to deal with the instances of fraud and mismanagement. The Whistle Blower Policy has been posted on the website of the Company <http://hindcommerce.com/pdf/whistle-blower-policy-vigil-mechanism.pdf>

Directors' Responsibility Statement

Pursuant to sub-section (5) of Section 134 of the Companies Act, 2013 and to the best of their knowledge and belief and according to the information and explanations obtained /received from the operating management, your Directors make the following statement and confirm that-

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis; and

(e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Auditors and Auditors' Report

In accordance with Section 139(1) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. K. K. Khadaria & Co., Chartered Accountants, Mumbai (Registration No. 103132W) Statutory Auditors of the Company hold office upto the conclusion of the 32nd Annual General Meeting of the Company. However, their appointment as Statutory Auditors of the Company is subject to ratification by the Members at every Annual General Meeting. The Company has received a certificate from the said Auditors that they are eligible to hold office as the Auditors of the Company and are not disqualified for being so appointed.

The notes on accounts referred to the Auditor's Report are self – explanatory and there has been no qualification/ remark made thereunder and therefore the same does not call for any further comments/explanation from the Directors.

Secretarial Auditor

Your Company has appointed M/s. Kothari H. & Associates, a firm of Practicing Company Secretaries as a Secretarial Auditor of the Company, according to the provision of Section 204 of the Companies, Act 2013 for conducting secretarial audit of Company for the financial year 2015-16.

The report in respect of the Secretarial Audit carried out by M/s. Kothari H. & associates Company Secretaries in Form MR-3 for the FY 2015-16 forms part to this report as **Annexure 2**. The said report does not contain any adverse observation or qualification requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

Equity Shares with Differential Rights.

The Company has not issued any equity shares with differential rights / sweat equity shares/ employee stock options or not made any provision of its own shares by employees or by trustees for the benefit of employees during the financial year 2014-2015

The Company has not made any purchase or provision of its own shares by employees or by trustees for the benefit of employees during the financial year 2014-2015.

Listing

During the year under review, the Company's Equity Shares were listed at BSE Limited and the Company has paid Listing Fees to the above Stock Exchanges for the year 2016-17.

Disclosure of Remuneration paid to Director and Key managerial personal

The table containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as **Annexure 3** to the Board's report.

Significant and Material Orders

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Internal Financial Control

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the 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 disclosures.

Risk Management

Risk management is the identification, assessment, and prioritization of risks followed by coordinated and economical application of resources to minimize, monitor, and control the probability and/or impact of unfortunate events or to maximize the realization of opportunities. Risk management's objective is to assure uncertainty does not deflect the endeavor from the business goals.

The Company has laid down procedures to inform the members of the Board about the risk assessment and minimization procedures. A risk management committee consisting of senior executives of the Company periodically reviews these procedures to ensure that executives' management controls risk through means of a properly defined framework. A senior independent director is associated with the committee. The Company has framed the risk assessment and minimization procedure which is periodically reviewed by the Board. The risk management policy is displayed on the website of the Company viz. <http://www.hindcommerce.com/pdf/risk-management-policy.pdf>

Extracts of Annual Return

As per the provisions of Section 134(3)(a) of the Companies Act, 2013, an extract of the annual return in the prescribed format in Form MGT-9 is annexed to this Board's Report as **Annexure – 4**.

Energy Conservation Measures, Technology Absorption and R & D Efforts and Foreign Exchange Earnings and Outgo

Your Company is not engaged in any manufacturing activity and thus its operations are not energy intensive. However adequate measures are always taken to ensure optimum utilization and maximum possible saving of energy. The Company has installed energy conservative equipment's like LED (Light Emitting Diode) lights instead of CFL (Compact Fluorescent Lamp).

The Company has maintained a technology friendly environment for its employees to work in. Your Company uses latest technology and equipment's. However since the Company is not engaged in any manufacturing, the information in connection with technology absorption is NIL.

During the period under review the Company has earned Foreign Exchange of **Rs. 154.69 Lakhs** and did not incur the Foreign Exchange outgo.

Report on Corporate Governance

As per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 the Corporate Governance requirements are not applicable to the Company whose paid up capital does not exceed Rs. Ten Crores and net worth does not exceed Rs. Twenty-Five Crore as on the date of last day of previous financial year. Since the Company does not exceed the above stated limit, Report on Corporate Governance is not applicable to the Company. The same shall be applicable if the Company exceeds the aforementioned limits at any time during the year.

Acknowledgement

Your Directors wish to express their grateful appreciation for co-operation and support received from customers, financial institutions, Banks, regulatory authorities, customers, vendors and members and the society at large.

Deep sense of appreciation is also recorded for the dedicated efforts and contribution of the employees at all levels, as without their focus, commitment and hard work, the Company's consistent growth would not have been possible, despite the challenging environment.

For and on behalf of the Board

Ujwal Lahoti
(DIN: 00360785)

Umesh Lahoti
(DIN: 00361216)

Place: Mumbai

Date: 13th August, 2016

Annexures to Board's Report

Annexure -1

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(in Rs.)

Particulars	Details
Name of the subsidiary	Crystal Tradecom Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31 st March, 2015
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
Share capital	5,00,000 (50,000 Equity Shares of Rs. 10/- each)
Reserves & surplus	(0.39) Lakhs
Total assets	14.68 Lakhs
Total Liabilities	14.68 Lakhs
Investments	10.00 Lakhs
Turnover	-
Profit before taxation	(0.11) Lakhs
Provision for taxation	-
Profit after taxation	(0.11) Lakhs
Proposed Dividend	-
% of shareholding	100% (Wholly owned Subsidiary)

Details of New Subsidiary/ Joint ventures/Associate Companies.

Sr. No	Name of Company	Subsidiary / Joint ventures/ Associate Company	Date of becoming of Subsidiary / Joint ventures/ Associate Company.
	NIL		

There have been no Companies which have become Subsidiaries, Joint Ventures or Associate Companies during the year under review.

Details of the Company who ceased to be its Subsidiary/ Joint ventures/Associate Companies.

Sr. No	Name of Company	Subsidiary / Joint ventures/ Associate Company	Date of cession of Subsidiary / Joint ventures/ Associate Company.
Not Applicable			

Annexure -2

**FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST March, 2016**

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

To,
The Members,
Hind Commerce Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Hind Commerce Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2016 ('Audit period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Hind Commerce Limited for the financial year ended on March 31, 2016 according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the rules made thereunder;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. :-
 - 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, 1992;

- 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. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; (**Applicable from December, 2015**)
2. We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other Acts, Laws and Regulations as applicable specifically to the company.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with BSE limited. (**Applicable till the date SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been notified**).

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

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

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

We further report that during the audit period the Company has not passed any resolution for:

- i. Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- ii. Redemption / buy-back of securities.
- iii. Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.
- iv. Merger / amalgamation / reconstruction, etc.
- v. Foreign technical collaborations.

For **KOTHARI H. & ASSOCIATES**
Company Secretaries

Hitesh Kothari
Membership No. 6038
Certificate of Practice No. 5502

Place: Mumbai

Date:

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

Annexure- A

To,
The Members
Hind Commerce Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we 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. Our 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 which the management has conducted the affairs of the company.

For **KOTHARI H. & ASSOCIATES**
Company Secretaries

Hitesh Kothari
Membership No. 6038
Certificate of Practice No. 5502

Annexure -3

**REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT,
2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND
REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

- i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2015-2016, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-2016 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

S.No	Name of Director/KMP and Designation	Remuneration of Director/ KMP for financial year 2014-2015 (Rs. in Lakhs)	% increase in Remuneration in the Financial year 2014-2015	Ratio of Remuneration of each Director/to median remuneration of employees	Comparison of the Remuneration of KMP/Director against the performance of the Company
1.	Mr. Rajesh Bangera – Chief Financial Officer	3.71	10.85%	Refer Note 3	The Company has shown a slight decrease in net profit after tax of Rs. 20.09 Lakhs as compared to Rs.25.78 Lakhs in previous year .
2.	Ms. Pragati Sawant – Company Secretary	1.50	Refer Note 2	Refer Note 3	

Note:

1. No Director received any remuneration or sitting fees for the financial year 2015-2016.
2. No remuneration was paid to Company Secretary in last financial year 2014-2015 as she was appointed on 16.03.2015, hence% increase in Remuneration in the financial year 2015-2016 does not apply.
3. During the year under review, Mr. Rajesh Bangera & Ms. Pragati Sawant has been the only two salaried personnel of the Company, hence the concept of Median Remuneration and analysis of average increase in remuneration to performance does not apply.
4. The performance of the Company has been consistent over the years and the increase in remuneration of Mr. Rajesh Bangera as presented in the above table has been based on his performance and other growth inflation factors.

5. It is hereby affirmed that the remuneration paid during the year under review is as per the Remuneration policy of the Company.
6. Variations in the Market Capitalization of the Company, price earning ratio as at the closing date of 2015-2016 and 2014-2015 and percentage increase or decrease in market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer: Not Applicable

	Closing Market Price per Share (in Rs.)		Percentage Increase	Price Earnings Ratio		Market Capitalization (in Rs.)	
	As on 31.03.2015	As on 31.03.2016		As on 31.03.2015	As on 31.03.2016	As on 31.03.2015	As on 31.03.2016
BSE	Not Applicable						

The Company's Shares are listed on the Bombay Stock Exchange with effect from 19th September, 2014 and no trading price of share is quoted during the period at exchange.

Annexure -4

**FORM MGT-9
EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2016
PURSUANT TO SECTION 92(3) OF THE COMPANIES ACT, 2013 READ WITH RULE
12(1) OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014**

I. REGISTRATION AND OTHER DETAILS

I	CIN:-	L51900MH1984PLC085440
ii	Registration Date –	09.10.1984
iii	Name of the Company -	Hind Commerce Limited
Iv	Category / Sub-Category of the Company	Merchant Exporters
V	Address of the Registered office and contact details	307, Arun chambers, Tardeo Road, Mumbai – 400034 Ph: 022-40500100 Fax: 022-40500150 Website: www.hindcommerce.com email: investor@hindcommerce.com
vi	Whether listed company	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	SHAREPRO SERVICES (INDIA) PRIVATE LIMITED Samhita Complex, Gala No-52 to 56, Bldg No.13 A-B, Near Sakinaka Telephone Exchange Lane, Off Andheri – Kurla Road, Sakinaka, Andheri (East), Mumbai – 400 072. Tel No.: +91-22-6772 0300/400 I Fax No.:+91-22-2859 1568. E-mail: indira@shareproservices.com I Web: www.shareproservices.com Contact Person: Ms. Indira Karkera

II. PRINCIPLE BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	100% Cotton Yarn	520300	99%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
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1.	Crystal Tradecom Limited 307, Arun Chambers, Tardeo Road, Mumbai – 400034	U51109MH2011PLC224111	Wholly owned Subsidiary	100%	2(87)
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IV. A. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2015)				No. of Shares held at the end of the year (31.03.2016)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	917500	100	917600	30.59	917500	100	917600	30.59	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	917500	100	917600	30.59	917500	100	917600	30.59	
(2) Foreign									
a) NRIs – Individuals	0	0	0	0	0	0	0	0	0
b) Other–Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	917500	100	917600	30.59	917500	100	917600	30.59	0
B. Public Shareholding									
1. Institutions									

a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1456000	0	1456000	48.53	1456000	0	1456000	48.53	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	101400	101400	3.38	0	101400	101400	3.38	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	75000	450000	525000	17.50	75000	450000	525000	17.50	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
i) Non-Residence (Non-Repatriable)	0	0	0	0	0	0	0	0	0
ii) Non-Residence (Repatriable)	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	1531000	551400	2082400	69.41	1531000	551400	2082400	69.41	0
Total Public Shareholding (B)=(B)(1)+	1531000	551400	2082400	69.41	1531000	551400	2082400	69.41	0

(B)(2)									
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	2448500	551500	3000000	100	2448500	551500	3000000	100	0

B. SHARE HOLDING PATTERN OF PROMOTERS

Sr No	Shareholders Name	Shareholding at the beginning of the year (01.04.2015)			Shareholding at the end of the year (31.03.2016)			% change in share holding during the year
		No of Shares	% of total shares of company	% of Shares Pledged / encumbered to total shares	No of Shares	% of total shares of company	% of Shares Pledged / encumbered to total shares	
1	UMESH R LAHOTI	325000	10.83	0	325000	10.83	0	0
2	UJWAL R LAHOTI	250000	8.33	0	250000	8.33	0	0
3	JAYASHRI U LAHOTI	100000	3.33	0	100000	3.33	0	0
4	MANJUSHRI UMESH LAHOTI	100000	3.33	0	100000	3.33	0	0
5	RUKMINI R LAHOTI	100000	3.33	0	100000	3.33	0	0
6	UJWAL R LAHOTI (HUF)	42500	1.42	0	42500	1.42	0	0
7.	UJWAL R LAHOTI (HUF)	100	0.00	0	100	0.00	0	0
	Total	917600	30.59	0	917600	30.59	0	0

C. CHANGE IN PROMOTERS SHAREHOLDING

S.No	Period	Shareholding at the beginning of the year (as on 01.04.2015)		Cumulative Shareholding during the year (as on 01.04.2015 to 31.03.2016)	
		No. of Shares	% total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year	917600	30.59	917600	30.59

1.	Date of Decrease in promoter's shareholding during the year under review: NIL	-	-	-	-
	At the end of the Year	917600	30.59	917600	30.59

D. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRs AND ADRs):

S.No	Name	Shareholding		Date	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year (as on 01.04.2015 to 31.03.2016)	
		No. of Shares at the beginning (01.04.2015) /at the end (31.03.2016)	% total Shares of the Company				No. of Shares	% of total Shares of the Company
1.	PANDURANG TEXTIELS PRIVATE LIMITED	512500	17.08	01.04.2015	Shares sold during the year		0	0
		0	0.00	31.03.2016				
2.	RASHYAP IMPEX PVT. LTD.	500000	16.67	01.04.2015	Shares sold during the year		0	0
		0	0	31.03.2016				
3.	SHAKAMBRI FABRICS PRIVATE LIMITED	443500	14.78	01.04.2015	Shares sold during the year		0	0
		0	0	31.03.2016				
4.	KISHOR SHRIVAL LABH CHANDAK	37500	1.25	01.04.2015	Shares sold during the year		0	0
		0	0	31.03.2016				

E. SHAREHOLDING PATTERN OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

S.No	Name	Shareholding at the beginning	Cumulative Shareholding
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		of the year (as on 01.04.2015)		during the year (as on 01.04.2015 to 31.03.2016)	
		No. of Shares	% total Shares of the Company	No. of Shares	% of total Shares of the Company
A	DIRECTORS:				
1	UMESH R LAHOTI (MD/KMP)	325000	10.83	325000	10.83
2	UJWAL R LAHOTI	250000	8.33	250000	8.33
3	PRAKASH RAMCHANDRA BANG	0	0	0	0
4	SANJAY RAJENDRA SONI	0	0	0	0
5	MEGHNA PANCHAL	0	0	0	0
B	KEY MANAGERIAL PERSONNEL:				
8	RAJESH BANGERA	0	0	0	0
9	PRAGATI SAWANT	0	0	0	0

V. INDEBTEDNESS

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

(Rs. in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i.e. 01.04.2014	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year 2014-2015	-	-	-	-
Addition	-	-	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. DETAILS OF REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

(Rs. in Lakhs)

Sr No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Umesh Lahoti Managing Director	
1	Gross salary	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify...	-	-
5	Others, please specify	-	-
	Total (A)	-	-

B. Remuneration to other Directors:

Independent Directors:

(in Rs.)

Particulars of Remuneration	Name of Directors		Total Amount
	Sanjay Rajendra Soni	Prakash R Bang	
Fee for Attending Board/Committee Meetings	-	-	-
Commission	-	-	-
Others	-	-	-
Total (B1)	-	-	-

Other Non-Executive Directors:

(in Rs.)

Particulars of Remuneration	Name of the Director		Total Amount
	Meghna S Panchal	Ujwal R Lahoti	
Fee for Attending Board/Committee Meetings	-	-	-
Commission	-	-	-
Others	-	-	-
Total (B2)	-	-	-

Total (B1) + Total (B2) = Nil

C. Remuneration to Key Managerial Personnel:

(Rs. in Lakhs)

Sr No.	Particulars of Remuneration	Name of KMP			Total Amount
		Umesh Lahoti Managing Director	Rajesh Bangera CFO	Pragati Sawant Company Secretary	
	Gross salary	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	3.71	1.50	5.21
1	(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	-	-	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD / NCLT/ COURT)	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		
B. DIRECTORS					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		

**DECLARATION BY THE MANAGING DIRECTOR
UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENT)
REGULATION, 2015**

To
The Members of
HIND COMMERCE LIMITED

I, Umesh Lahoti, Managing Director of Hind Commerce Limited hereby declare that all the members of the Board of Directors and the senior management personnel have affirmed compliance with the Company's Code of Business Conduct and Ethics for the Financial Year ended 31st March, 2015.

For Hind Commerce Limited

**Umesh R. Lahoti
Managing Director**

**Place: Mumbai
Date: 13th August, 2016**

Management Discussion & Analysis

Industry Structure and Development

The Textile Industry in India accounts for 14% of the total Industrial production leading to 4% of the GDP of the Country which is one of the significant contributors to the Indian economy. During the year 2014-2015, the Cotton Textile Industry has been under stress because of market trends. After witnessing challenges during the year 2013 and for most part of 2014 given unfavorable economic conditions, the Indian textiles and garments sector has seen reversal of trends in second half of 2014. The steep decline in exports of cotton yarn to China has created over supply and price decline in the domestic market.

With domestic and global economic conditions gradually improving along with the focused efforts made by Ministry of Textiles, Indian textiles and garments sector is set for growth, buoyed by revival in domestic consumption and export demand.

Hind Commerce Limited is an ISO 9001:2008 certified Company and is mainly engaged in the export trading of cotton yarn in all coarser and fine counts, where the Company has strong presence and leadership. The Company enjoys the excellent relationship with its overseas customers, which has been built over the years by strictly adhering to delivery schedules maintaining consistent quality and providing prompt after sales service.

Opportunities and Threats

The future of Indian Cotton Textile Industry is highly depending on availability of raw material at a competitive price. With the introduction of Hybrids and BT Cotton, the cotton production in India is increasing every year. The government is making efforts to supply proper quality seeds at a reasonable price to the growers and it is expected that the supply of quality cotton will be comfortable.

In the past, the Textile Industry did not develop in an organized manner and the policy favored fragmentation resulting in organized players suffering heavily because of the distorted fiscal structure. Fortunately, in the last few years, the Government has now provided level playing field to all the sectors of textile industry and therefore, large investments are coming in the textile industry. Government had given good incentives under Technology Upgradation Fund Scheme and also benefits to the processing sector, which will give boost to the textile industry.

Outlook

The long term objective of the Company is to remain strong player in the cotton textiles export market with strong emphasis on product and market development, value added yarns, customer services and Technology Up gradation. Your Company is also continuously improving its operational efficiency, and cost control which alone can improve the bottom line in future in highly competitive environment. Further, your Company is hopeful to get advantage of the overall good times likely to come for the Indian Cotton Textile Industry and will do all out efforts to secure the bigger share of the increasing market in future.

A stable outlook on cotton and synthetic textiles would result from favourable policy environment, improvements in demand-supply position, continued stability in input costs and consequent improvement in margins/liquidity. It is unlikely that the sector's outlook will turn positive until fundamental issues such as power shortage, lack of technology and modern machinery and demand slowdown are resolved. However, foreign direct investment in retail is an opportunity that would unleash demand in the long run and offset any slowdown in exports.

By encashing the rich experience gained by the Company in the Cotton Textile sector, the company has plans to increase its efforts of marketing and to open up foreign offices in order to better serve its customers. The emphasis will also be on more exports of value added items such as dyed yarns, speciality yarns and grey and dyed fabrics.

Risks and Concern

- Our business shall dependent on the availability/supply and cost of raw materials which we source from domestic suppliers. Any significant increase in the prices of these raw materials or decrease in the availability of the raw materials, could adversely affect our results of operations.
- Our business is subject to regulation by several authorities, which could have an adverse effect on our business and our results of operations.
- We are heavily dependent on our Promoters and the loss of their guidance and services may adversely affect our business or results of operations.
- Change in Government of India's Economic Liberalization policies may hinder prices of our equity shares
- Change in Tax laws in India (i.e. central tax, service tax and income tax) may increase tax liabilities of the company inversely affecting PAT
- Slowdown in the Indian economy may inverse effect in our profit
- Any Natural calamities, terrorist attack on India may hinder our profit
- Change in economic regulations and laws may also effect the company adversely

Internal Control Systems and their adequacy

The Company has a proper adequate internal control system to ensure that all the assets are safe guarded and protected against the loss from unauthorized used or disposition and that transactions are authorized, recorded and reported correctly.

The internal control is supplemented by an extensive internal audit, periodical review by the management and documented policies, guidelines and procedures. The internal control is designed to ensure that the financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of assets.

Financial and Operational Performance

During the year under review your Company has reported a total income of Rs. 196.74 Lakhs when compared to previous years proceeds of Rs. 247.01 Lakhs.

Liquidity and Capital Resources

Particulars	2015-2016 (` in Lakhs)	2014-2015 (` in Lakhs)
Cash and Cash Equivalents –		
Beginning of the year	26.71	3.31
End of the year	6.38	26.71
Net Cash provided (used) by -	-	-
Operating activities	38.63	41.48
Investment activities	(58.97)	(18.06)
Financial activities	-	(0.02)

The net cash inflow utilized in the operating activities during the year under review has been Rs.38.63 Lakhs as compared to Rs. (41.48) Lakhs in previous year. However, the loss in investment activity stands at Rs. 58.97 Lakhs as compared to loss of Rs. 18.06 Lakhs in previous year. The Cash outflow from financial activities is Nil for the year under review as compared to Rs. 0.02 Lakhs for previous year.

Material Developments in Human Resources

The Company continues to lay emphasis on developing and facilitating optimum human performance. Performance management was the key word for the Company this year. Recruitment process has been strengthened to ensure higher competence levels.