



# Hind Commerce Limited

Annual Report 2016-17



# Hind Commerce Limited

## Contents

Corporate Information

Directors' Report

Annexure's to directors Report

Management Discussion & Analysis

### **Standalone Financial Statement**

Auditors' Report

Balance Sheet

Statement of Profit & Loss Account



# Hind Commerce Limited

## Corporate Information

### BOARD OF DIRECTORS

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

### COMPANY SECRETARY and COMPLIANCE OFFICER

Ms. Pragati Sawant

### CHIEF FINANCIAL OFFICER

Mr. Rajesh Bangera

### STATUTORY AUDITORS

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  
ICICI Bank  
IDBI Bank  
Citibank N.A.  
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](mailto:rnt.helpdesk@linkintime.com) | Web: [www.linkintime.co.in](http://www.linkintime.co.in)

**Corporate Identity Number (CIN): L51900MH1984PLC085440**



# Hind Commerce Limited

## Directors' Report

### **TO THE MEMBERS OF HIND COMMERCE LIMITED**

The Directors take pleasure in presenting the 32nd Annual Report along with Audited Financial Statements of your Company and its subsidiaries for the Financial Year ended 31<sup>st</sup> March, 2017.

### **Financial Highlights**

The financial performance of the Company, for the year ended 31<sup>st</sup> March, 2017 is summarized below:

(in Rs. Lakhs)

Particulars	Standalone For the Financial Year Ended	
	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016
<b>Gross Income</b>	460.35	196.74
Gross Profit before, Depreciation and Tax	55.67	25.68
Less: Depreciation	-	-
<b>Profit Before Tax</b>	55.67	25.68
Less: Provision for Tax		
Current Tax	10.86	6.07
Deferred Tax	(0.08)	-
MAT Credit	(1.22)	-
Tax Adjustment of previous year	(0.14)	0.50
Profit after Tax before period items	46.25	20.09
Prior period adjustment	-	-
<u>Add: Excess Provision written Back</u>	-	-
Balance b/f from previous year	428.44	408.35
<b>Amount available for appropriation</b>	474.69	428.44
<u>Less: Proposed Dividend</u>	-	-
Corporate Dividend Tax	-	-
Transferred to General Reserves	-	-
<u>Add: Excess provision for Dividend</u>	-	-
Balance carried to Balance Sheet	474.69	428.44

### **Results of Operations**

During the year under review your Company has reported a total income of Rs. 460.35 Lakhs when compared to Rs. 196.74 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.



# Hind Commerce Limited

## **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) Regulations, 2015, the Management Discussion and Analysis of the financial condition and results of 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 31<sup>st</sup> March, 2017 has no Subsidiary Company or Associate Company. Crystal Tradecom Limited Wholly Owned Subsidiary Company of the Company ceased to be Subsidiary Company on 30<sup>th</sup> March, 2017 due to further issue of Share by Crystal Tradecom Limited.

## **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. Therefore the requirement for furnishing of details of deposits which are not in compliance with the Chapter V of the Companies Act, 2013 is not applicable.

## **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.



# Hind Commerce Limited

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 R Bang
2. Mr. Sanjay R Soni
3. Ms. Meghna V Panchal



# Hind Commerce Limited

## 1. Re-appointments

Pursuant to provisions of section 152(6) of the Companies Act, 2013, Mr. Umesh Lahoti, Managing 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. Umesh 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 R. Bang (Independent Director)	Chairman
Mr. Ujwal R. Lahoti (Non - Executive Director)	Member
Mr. Sanjay R. 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 R. 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 as per SEBI (Listing Obligations and Disclosure Requirements) Regulations.

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:



# Hind Commerce Limited

- 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;





# Hind Commerce Limited

- 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



# Hind Commerce Limited

- 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 V Panchal (Independent Director)	Chairperson
Mr. Umesh R. Lahoti (Managing Director)	Member
Mr. Ujwal R. 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 Regulations.

## 3. Nomination and Remuneration Committee

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



# Hind Commerce Limited

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



# Hind Commerce Limited

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 R. Bang, Mr. Sanjay R. Soni and Ms. Meghna V. 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) Regulations, 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.



# Hind Commerce Limited

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.

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.	25/05/2016	Venue: Registered office - 307, Arun Chambers, Tardeo Road, Mumbai - 400034 Time: 02.30.p.m.	1. Mr. Ujwal R Lahoti 2. Mr. Umesh R Lahoti 3. Mr. Sanjay R Soni 4. Mr. Prakash R Bang 5. Ms. Meghna V Panchal	-



# Hind Commerce Limited

2.	13/08/2016	Venue: Registered office - 307, Arun Chambers, Tardeo Road, Mumbai – 400034 Time: 12.00.p.m.	1. Mr. Ujwal R Lahoti 2. Mr. Umesh R Lahoti 3. Mr. Sanjay R Soni 4. Mr. Prakash R Bang 5. Ms. Meghna V Panchal	-
3.	12/11/2016	Venue: Registered office - 307, Arun Chambers, Tardeo Road, Mumbai – 400034 Time: 11.00.a.m.	1. Mr. Ujwal R Lahoti 2. Mr. Umesh R Lahoti 3. Mr. Prakash R Bang 4. Ms. Meghna V Panchal	-
4.	14/02/2017	Venue: Registered 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 R Soni 4. Mr. Prakash R Bang 5. Ms. Meghna V 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) Regulations, 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;



# Hind Commerce Limited

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

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

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

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

## **Auditors and Auditors' Report**

Section 139(2) of the Companies Act, 2013 provides that no listed company or a company belonging to such class or classes of companies as may be prescribed, shall appoint or re-appoint—

- (a) an individual as auditor for more than one term of five consecutive years; and
- (b) an audit firm as auditor for more than two terms of five consecutive years.

K. K. Khadaria & Co., Chartered Accountants, Mumbai (Registration No. 103132W) Statutory Auditors of the Company is completing their term and accordingly they cannot be re-appointed as Statutory Auditor of the Company as per the mandatory requirements of Section 139(2) of Companies Act, 2013.

The Board at their meeting held on August 16, 2017 has recommended the appointment of S S Rathi & Co. Chartered Accountants, (Firm Registration No. 133811W). The Company has received a confirmation letter from the Auditors to the effect that their appointment, if made, will be within the prescribed limits of the Companies Act, 2013 and that they are not disqualified for appointment within the meaning of the said Act. As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI).

Pursuant to provision Section 139(1) of the said Act the Board recommends their appointment as Auditors for 5 years i.e. from the conclusion of 32<sup>nd</sup> Annual General Meeting till the Conclusion of Sixth Annual General Meeting to be held after this Annual General Meeting i.e. 37<sup>th</sup> Annual General Meeting.

Being the Statutory Auditors for the Financial Year 2016-2017, K.K. Khadaria & Co., Chartered Accountants, Mumbai has audited the Books of accounts.

The observations made in the Auditors' Report read together with relevant notes thereon are self-explanatory and hence do not call for any further comments under Section 134 of the Companies Act, 2013.



# Hind Commerce Limited

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 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 2016-17.

The report in respect of the Secretarial Audit carried out by Kothari H. & associates Company Secretaries in Form MR-3 for the FY 2016-17 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 2016-2017

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 2016-2017.

## **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 2017-18.

## **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.





# Hind Commerce Limited

## **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.

## **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 will adopt "IND AS" with effect from 01<sup>st</sup> April, 2017, with the comparatives for the periods ending 31<sup>st</sup> March, 2017.

## **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).



# Hind Commerce Limited

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. 383.87 Lakhs** and did not incur the Foreign Exchange outgo.

## **Report on Corporate Governance**

As per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 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.

## **Prevention of Sexual Harassment of Women at Workplace:**

The Company has in place the "Policy on Prevention of Sexual Harassment at the Workplace" in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, no complaints were received by the Committee for Redressal.

## **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**

**Umesh Lahoti**  
**Managing Director**  
**(DIN: 00361216)**

**Ujwal Lahoti**  
**Director**  
**(DIN: 00360785)**

Place: Mumbai

Date: 16<sup>th</sup> August, 2017



# Hind Commerce Limited

## 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.)

<b>Particulars</b>	<b>Details</b>
Name of the subsidiary	-
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	-
Share capital	-
Reserves & surplus	-
Total assets	-
Total Liabilities	-
Investments	-
Turnover	-
Profit before taxation	-
Provision for taxation	-
Profit after taxation	-
Proposed Dividend	-
% of shareholding	-

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.
<b>1</b>	Crystal Tradecom Limited	Subsidiary Company	30 <sup>th</sup> March,2017



# Hind Commerce Limited

## Annexure -2

### **FORM NO. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST March, 2017**

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

To,  
The Members,  
**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 31<sup>st</sup> March, 2017 ('Audit period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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 31<sup>st</sup> March, 2017 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;



# Hind Commerce Limited

- 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;
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.

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



# Hind Commerce Limited

## **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: 16<sup>th</sup> August, 2017

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.



# Hind Commerce Limited

## 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**

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2016-2017, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-2017 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

<b>Sr. No.</b>	<b>Name of Director/KMP and Designation</b>	<b>Remuneration of Director/KMP for financial year 2016-2017 (Rs. in Lakhs)</b>	<b>% increase in Remuneration in the Financial year 2016-2017</b>	<b>Ratio of Remuneration of each Director/to median remuneration of employees</b>	<b>Comparison of the Remuneration of KMP/Director against the performance of the Company</b>
1.	Mr. Rajesh Bangera – Chief Financial Officer	3.91	5.40%	Refer Note 2	The Company has shown increased in net profit after tax of Rs. 46.25 Lakhs as compared to Rs. 20.09 Lakhs in previous year .
2.	Ms. Pragati Sawant – Company Secretary	1.44	NIL	Refer Note 2	

#### **Note:**

1. No Director received any remuneration or sitting fees for the financial year 2016-2017.
2. 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.
3. 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.
4. It is hereby affirmed that the remuneration paid during the year under review is as per the Remuneration policy of the Company.

Place: Mumbai

Date: 16<sup>th</sup> August, 2017

**For and on behalf of the Board**

**Umesh Lahoti**  
Managing Director  
(DIN: 00361216)

**Ujwal Lahoti**  
Director  
(DIN: 00360785)



# Hind Commerce Limited

## Annexure -4

### FORM MGT-9

#### EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2017

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 <sup>th</sup> October.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: <a href="http://www.hindcommerce.com">www.hindcommerce.com</a> email: <a href="mailto:investor@hindcommerce.com">investor@hindcommerce.com</a>
vi	Whether listed company	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	LINK INTIME INDIA PRIVATE LIMITED C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083 Tel No : +91 22 49186270 Fax: +91 22 49186060 E-mail id : <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> Website : <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>

#### 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
	NIL	-	-	-	-





# Hind Commerce Limited

## 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 (01.04.2016)				No. of Shares held at the end of the year (31.03.2017)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
(1) <b>Indian</b>									
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
<b>Sub-total (A) (1):-</b>	917500	100	917600	30.59	917500	100	917600	30.59	
<b>(2) Foreign</b>									
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
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	917500	100	917600	30.59	917500	100	917600	30.59	0
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
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



# Hind Commerce Limited

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
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2. Non-Institutions</b>									
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
<b>Sub-total (B)(2):-</b>	<b>1531000</b>	<b>551400</b>	<b>2082400</b>	<b>69.41</b>	<b>1531000</b>	<b>551400</b>	<b>2082400</b>	<b>69.41</b>	<b>0</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>1531000</b>	<b>551400</b>	<b>2082400</b>	<b>69.41</b>	<b>1531000</b>	<b>551400</b>	<b>2082400</b>	<b>69.41</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>2448500</b>	<b>551500</b>	<b>3000000</b>	<b>100</b>	<b>2448500</b>	<b>551500</b>	<b>3000000</b>	<b>100</b>	<b>0</b>



# Hind Commerce Limited

## B. SHARE HOLDING PATTERN OF PROMOTERS

Sr No	Shareholders Name	Shareholding at the beginning of the year (01.04.2016)			Shareholding at the end of the year (31.03.2017)			% 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	Ujwal R Lahoti	325100	10.84	0	325100	10.84	0	0
2	Umesh 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	R K Lahoti (HUF)	42500	1.42	0	42500	1.42	0	0
	<b>Total</b>	<b>917600</b>	<b>30.59</b>	<b>0</b>	<b>917600</b>	<b>30.59</b>	<b>0</b>	<b>0</b>

## C. CHANGE IN PROMOTERS SHAREHOLDING

Sr. No.	Period	Shareholding at the beginning of the year (as on 01.04.2016)		Cumulative Shareholding during the year (as on 01.04.2016 to 31.03.2017)	
		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
	No Change during the year	-	-	-	-
	At the end of the Year	917600	30.59	917600	30.59



# Hind Commerce Limited

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

Sr. No.	Name	Shareholding		Date	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year (as on 01.04.2016 to 31.03.2017)	
		No. of Shares at the beginning (01.04.2016) /at the end (31.03.2017)	% total Shares of the Company				No. of Shares	% of total Shares of the Company
1.	Krishna Kripa Holdings Private Limited	512500	17.08	01.04.2016	Nil movement during the year		512500	17.08
			17.08	31.03.2017				
2.	Rashyap Impex Private Limited	500000	16.67	01.04.2016	Nil movement during the year		500000	16.67
			16.67	31.03.2017				
3.	Ascent Leasing and Finance Company Limited	443500	14.78	01.04.2016	Nil movement during the year		443500	14.78
		443500	14.78	31.03.2017				
4.	Kishor Shrivallabh Chandak	37500	1.25	01.04.2016	Nil movement during the year		37500	1.25
		37500	1.25	31.03.2017				
5.	Gopal Khadaria	25000	0.83	01.04.2016	Nil movement during the year		25000	0.83
		25000	0.83	31.03.2017				
6.	Navneet Harikishan Lahoti	12500	0.42	01.04.2016	Nil movement during the year		12500	0.42
		12500	0.42	31.03.2017				
7.	Navneet Lahoti	12500	0.42	01.04.2016	Nil movement during the year		12500	0.42
		12500	0.42	31.03.2017				



# Hind Commerce Limited

8.	Indu Navneet Lahoti	12500	0.42	01.04.2016	Nil movement during the year		12500	0.42
		12500	0.42	31.03.2017				
9.	Anjana Mittal	12500	0.42	01.04.2016	Nil movement during the year		12500	0.42
		12500	0.42	31.03.2017				
10.	Anil Kumar Mittal	12500	0.42	01.04.2016	Nil movement during the year		12500	0.42
		12500	0.42	31.03.2017				

## E. SHAREHOLDING PATTERN OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

S.No	Name	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
<b>A</b>	<b>DIRECTORS:</b>				
1	Umesh R Lahoti (MD/KMP)	250000	8.33	250000	8.33
2	Ujwal R Lahoti	325000	10.83	325000	10.83
3	Prakash R Bang	0	0	0	0
4	Sanjay R Soni	0	0	0	0
5	Meghna V Panchal	0	0	0	0
<b>B</b>	<b>KEY MANAGERIAL PERSONNEL:</b>				
6	Rajesh Bangera	0	0	0	0
7	Pragati Sawant	0	0	0	0



# Hind Commerce Limited

## 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. 01.04.2016	-	-	-	-
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 2016-2017	-	-	-	-
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)	-	-	-	-



# Hind Commerce Limited

## 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
		<b>Umesh Lahoti Managing Director</b>	
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	-	-
	<b>Total (A)</b>	-	-

### B. Remuneration to other Directors: Independent Directors:

(in Rs.)

Particulars of Remuneration	Name of Directors			Total Amount
	Sanjay R Soni	Meghna S Panchal	Prakash R Bang	
Fee for Attending Board/Committee Meetings	-		-	-
Commission	-		-	-
Others	-		-	-
<b>Total (B1)</b>	-		-	-



# Hind Commerce Limited

## Other Non-Executive Directors:

(in Rs.)

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

**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	-	-	-	-
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	3.91	1.44	5.35
	(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	-	-	-	-
	<b>Total</b>	-	3.91	1.44	5.35





# Hind Commerce Limited

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

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



# Hind Commerce Limited

**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 31<sup>st</sup> March, 2017.

**For Hind Commerce Limited**

**Umesh R. Lahoti  
Managing Director**

**Place: Mumbai  
Date: 16<sup>th</sup> August, 2017**



# Hind Commerce Limited

## 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.



# Hind Commerce Limited

## 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.



# Hind Commerce Limited

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. 460.35 Lakhs when compared to previous years proceeds of Rs. 196.74 Lakhs.

## Liquidity and Capital Resources

Particulars	2016-2017 (` in Lakhs)	2015-2016 (` in Lakhs)
<b>Cash and Cash Equivalents –</b>		
Beginning of the year	6.38	26.71
End of the year	6.30	6.38
<b>Net Cash provided (used) by -</b>	-	-
Operating activities	(96.44)	38.63
Investment activities	96.36	(58.97)
Financial activities	-	-

The net cash outflow in the operating activities during the year under review has been Rs.96.44 Lakhs as compared to cash inflow of Rs. 38.63 Lakhs in previous year. Further, there is cash inflow in investment activity of Rs. 96.36 Lakhs as compared to outflow of Rs. 58.97 Lakhs in previous year. The Cash outflow from financial activities is Nil for the year under review.

## 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.

For and on behalf of the Board

**Umesh Lahoti**  
Managing Director  
(DIN: 00361216)

**Ujwal Lahoti**  
Director  
(DIN: 00360785)

Place: Mumbai

Date: 16<sup>th</sup> August, 2017



# Hind Commerce Limited

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF HIND COMMERCE LIMITED**

#### **Report on the Standalone Financial Statements**

1. We have audited the accompanying standalone financial statements of Hind Commerce Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

2. 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 to give a true and fair view of the financial position, financial performance & cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 these standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under Section 143(11) of the Act.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.



# Hind Commerce Limited

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## **Opinion**

8. 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 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 31<sup>st</sup> March, 2017, and its profit and its cash flows for the year ended on that date.

## **Report on Other Legal and Regulatory Requirements**

9. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. 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 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of section 164 (2) of the Act.



# Hind Commerce Limited

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure “B” .
- (g) 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 knowledge and belief and according to the information and explanations given to us:
- i. The Company does not have any pending litigation which would impact its financial position in its financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts as at 31<sup>st</sup> March, 2017.
  - iii. There has not been an occasion in case of the Company during the year under report to transfer any amounts to the Investor Education & Protection Fund and, therefore, the question of delay in transferring such amounts does not arise.
  - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on audit procedure and relying on the management representation we report that the disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management. Refer Note 23 to the financial statements.

**For K K Khadaria & Co**  
**Chartered Accountants**  
**Firm Regn No: 105013W**

**Ajay Daga**  
**Partner**  
**M.No. 44162**

**Place : Mumbai**  
**Dated : 30<sup>th</sup> May, 2017**





# Hind Commerce Limited

## ANNEXURE “A” TO INDEPENDENT AUDITORS' REPORT (Referred to in paragraph (9) of our Report of even date)

1. The Company does not have any fixed assets and hence reporting under clause 3(i)(a), (i)(b) & (i)(c) of the said order are not applicable to the Company.
2. The physical verification of the inventory has been conducted at reasonable intervals by the Management during the year. In our opinion, the frequency of verification is reasonable. No discrepancies have been noticed on reconciliation of physical inventories with book records.
3. As informed to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of Clause 3(iii)(a),(iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185. Further, the Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of the loans and investments made. The Company has not provided any guarantees or security.
5. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Rules framed thereunder to the extent notified.
6. Reporting under clause 3(vi) of the Order is not applicable as the Company's business activities are not covered by the Companies (Cost Records and Audit) Rules, 2014.
7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has been regular in depositing undisputed statutory dues applicable to it.  
  
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty & Value Added Tax that have not been deposited with the appropriate authorities on account of any dispute.
8. The Company has not taken any loans or borrowings from any financial institution or bank or Government nor has it issued any debentures as at the balance sheet date. Accordingly, the provisions of clause 3(viii) of the Order are not applicable to the Company.
9. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to the Company.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.



# Hind Commerce Limited

11. The Company has neither paid nor provided for any managerial remuneration. Accordingly, the provisions of clause 3(xi) of the Order are not applicable to the Company.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Company.
13. According to the information and explanations given to us, and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard -18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
14. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
16. The Company is not required to be registered under section 45 –IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

**For K K Khadaria & Co**  
**Chartered Accountants**  
**Firm Regn No: 105013W**

**Ajay Daga**  
**Partner**  
**M.No. 44162**

**Place : Mumbai**  
**Dated : 30<sup>th</sup> May, 2017**



# Hind Commerce Limited

## ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

**Referred to in paragraph 10(f) of the Independent Auditor’s Report of even date to the members of Hind Commerce Limited on the standalone financial statements for the year ended 31<sup>st</sup> March, 2017**

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

1. We have audited the internal financial controls over financial reporting of Hind Commerce Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

2. 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 (the “Guidance Note”). 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 Act.

#### **Auditors’ Responsibility**

3. 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 Standards on Auditing prescribed under section 143(10) of Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. 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.
4. 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.
5. 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.



# Hind Commerce Limited

## Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls over Financial Reporting

7. 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

8. 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 March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

**For K K Khadaria & Co**  
**Chartered Accountants**  
**Firm Regn No: 105013W**

**Ajay Daga**  
**Partner**  
**M.No. 44162**

**Place : Mumbai**  
**Dated : 30<sup>th</sup> May, 2017**



# Hind Commerce Limited

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2017

		As At 31.03.2017	As At 31.03.2016
	Note	Amt (Rs.)	Amt (Rs.)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	30,000,000	30,000,000
Reserves and Surplus	3	47,470,022	42,845,295
		<u>77,470,022</u>	<u>72,845,295</u>
<b>Current Liabilities</b>			
Other Current Liabilities	4	139,003	397,126
Short-term Provisions	5	635,411	NIL
		<u>774,414</u>	<u>397,126</u>
<b>TOTAL</b>		<b><u>78,244,436</u></b>	<b><u>73,242,421</u></b>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Non-current Investments	6	66,049,555	68,684,723
Deferred Tax Asset	7	7,852	NIL
Long-term Loans and Advances	8	642,085	548,640
		<u>66,699,491</u>	<u>69,233,363</u>
<b>Current Assets</b>			
Trade Receivables	9	8,296,196	NIL
Cash and Bank Balances	10	629,698	637,753
Short-term Loans and Advances	11	2,611,051	3,131,648
Other Current Assets	12	8,000	239,658
		<u>11,544,945</u>	<u>4,009,058</u>
<b>TOTAL</b>		<b><u>78,244,436</u></b>	<b><u>73,242,421</u></b>

Summary of Significant Accounting Policies 1

The accompanying notes form an integral part of the Financial Statements.

As per our report of even date

**For K K KHADARIA & CO**

CHARTERED ACCOUNTANTS

**AJAY DAGA**

Partner

Place : Mumbai

Dated : 30<sup>th</sup> May , 2017

**For and on behalf of the board**

**Ujwal Lahoti**

Director

DIN:00360785

**Rajesh Venket Bangera**

Chief Financial Officer

**Umesh Lahoti**

Director

DIN:00361216

**Pragati P. Sawant**

Company Secretary



# Hind Commerce Limited

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

	Note	Year ended 31.03.2017 Amt (Rs.)	Year ended 31.03.2016 Amt (Rs.)
<b>Revenue</b>			
Revenue from Operations	13	39,469,275	15,924,513
Other Income	14	6,566,039	3,749,593
<b>Total Revenue</b>		<b>46,035,314</b>	<b>19,674,106</b>
<b>Expenses</b>			
Purchases of Stock-in-Trade	15	37,893,286	15,213,281
Employee Benefits Expenses	16	534,969	521,136
Finance Costs	17	49,849	24,226
Other Expenses	18	1,990,635	1,347,173
<b>Total Expenses</b>		<b>40,468,739</b>	<b>17,105,816</b>
<b>Profit Before Tax</b>		<b>5,566,575</b>	<b>2,568,289</b>
Tax Expense:			
- Current Tax		1,085,591	607,710
- MAT Credit Entitlement		(122,121)	NIL
- Deferred Tax Assets		(7,852)	NIL
- Tax adjustment of previous year		(13,770)	(48,698)
<b>Profit For The Year</b>		<b>4,624,727</b>	<b>2,009,277</b>
<b>Earnings per equity share of face value of Rs.10/-each</b>	21		
Basic and Diluted (Rs.)		<b>1.54</b>	<b>0.67</b>

Summary of Significant Accounting Policies 1

The accompanying notes form an integral part of the Financial Statements.

As per our report of even date

**For K K KHADARIA & CO**

CHARTERED ACCOUNTANTS

**AJAY DAGA**

Partner

Place : Mumbai

Dated : 30<sup>th</sup> May , 2017

**For and on behalf of the board**

**Ujwal Lahoti**

Director

DIN:00360785

**Rajesh Venket Bangera**

Chief Financial Officer

**Umesh Lahoti**

Director

DIN:00361216

**Pragati P. Sawant**

Company Secretary



# Hind Commerce Limited

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

	As At 31.03.2017 Amt (Rs.)	As At 31.03.2016 Amt (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES :		
a) Net Profit before tax	5,566,575	2,568,289
<u>Adjustment For</u>		
(Profit)/Loss on sale of Investments	(6,809,716)	(2,877,261)
Interest Received	(108,391)	(383,946)
Dividend Received	(108,228)	(774,038)
Expenses incidental to Investments	23,852	32,746
Interest on Deferment of advance tax	49,820	24,221
b) OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(1,386,087)	(1,409,989)
<u>Adjustments For</u>		
Decrease/(Increase) in Short-term Loans and Advances	520,597	(288,558)
Decrease/(Increase) in Other Current Assets	231,658	311,481
Decrease/(Increase) in Trade Receivables	(8,296,196)	7,859,248
Increase/(Decrease) in Other Current Liabilities	(258,123)	(1,896,453)
CASH GENERATED FROM OPERATIONS	(9,188,152)	4,575,730
Direct Tax (Paid)/Refund	(456,070)	(712,241)
NET CASH FROM OPERATING ACTIVITIES	(9,644,222)	3,863,490
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Expenses incidental to Investments	(23,852)	(32,746)
Sale/(Purchase) of Investments	9,444,884	(7,001,384)
Interest Received	106,907	363,027
Dividend Received	108,228	774,038
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	9,636,167	(5,897,065)
C. NET CASH FROM FINANCING ACTIVITIES	Nil	Nil
	Nil	Nil
NET INCREASE IN CASH AND CASH EQUIVALENTS	(8,055)	(2,033,576)
CASH AND CASH EQUIVALENTS (At the beginning of the year)	637,753	2,671,327
CASH AND CASH EQUIVALENTS (At the end of the year)	629,698	637,753

1. The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard -3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.



# Hind Commerce Limited

2. Previous Year's figure have been regrouped/ rearranged, wherever necessary, to correspond with the current year's classification/disclosure.

As per our report of even date

**For K K KHADARIA & CO**

CHARTERED ACCOUNTANTS

**AJAY DAGA**

Partner

Place : Mumbai

Dated : 30<sup>th</sup> May , 2017

**For and on behalf of the board**

**Ujwal Lahoti**

Director

DIN:00360785

**Rajesh Venket Bangera**

Chief Financial Officer

**Umesh Lahoti**

Director

DIN:00361216

**Pragati P. Sawant**

Company Secretary





# Hind Commerce Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH ,2017

### (1) Summary of Significant Accounting Policies :-

- a. These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India under the historical cost convention under accrual basis. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or an addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority(NFRA), the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Till the NFRA is constituted, the Central Government in consultation with the National Advisory Committee on Accounting Standards has notified the Companies (Indian Accounting Standards) Rules, 2015 vide MCA's notification dated 16.02.15 as amended vide notification dated 30.03.16 which Accounting Standards are not yet applicable to the Company and will be applicable for the accounting period beginning on or after 1st April, 2017.

Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards including the Accounting Standards notified under Section 211 (3C) of the Companies Act, 1956 (Companies (Accounting Standards), Rules, 2006, as amended) and other relevant provisions of the Companies Act, 2013.

- b. Long-term investments are stated at cost after deducting provision made for permanent diminution in the value, if any. Current investment are stated at lower of cost & fair market value.
- c. Loans & Advances are stated after making adequate provision for doubtful advances.
- d. Leave encashment benefit accrued as per Company's Rules are charged to the Statement of Profit & Loss.
- e. Income-tax expense comprises current tax and deferred tax charge or credit. The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax asset arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognised, only if there is a virtual certainty of its realisation, supported by convincing evidence. Deferred tax asset on account of other timing differences are recognised only to the extent there is a reasonable certainty of its realisation. At each Balance Sheet date, the carrying amount of deferred tax asset is reviewed to reassure realisation.
- f. Sales is accounted net of Sales Tax/VAT.
- g. Export sales are accounted for on the basis of the date of bill of lading/airways bill.
- h. Export benefits available under the Export Import policy of the Government of India are accounted for in the year of export, to the extent measurable.
- i. Stock is valued at lower of cost and net realisable value. Cost include purchase price as well as incidental expenses. Cost formula used is either 'Specific Identification' or 'FIFO'.
- j. Transaction denominated in foreign currencies are recorded at the exchange rates prevailing at the date of the transaction. Monetary items denominated in Foreign currency at the year end are translated at year end rates. The exchange differences arising on settlement/translation are recognised in the revenue accounts.



# Hind Commerce Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

	As At 31.03.2017 Amt (Rs.)	As At 31.03.2016 Amt (Rs.)
<b>(2) Share Capital</b>		
Authorised :		
1,10,00,000 (P.Y. 1,10,00,000) Equity Shares of Rs. 10/- each	110,000,000	110,000,000
	<u>110,000,000</u>	<u>110,000,000</u>
Issued, Subscribed and Paid-up:		
3000000 (P.Y. 3000000) Equity Shares of Rs. 10/- each fully paid-up	30,000,000	30,000,000
	<u>30,000,000</u>	<u>30,000,000</u>
a. The number of shares and amount outstanding at the beginning and at the end of the reporting year is same.		
b. The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity share is entitled to same rights based on the number of shares held.		
c. Shares in the Company held by each shareholders holding more than 5% shares		
<b>No. of Shareholders each holding more than 5% of the Share Capital</b>	<b>No. of Shares Held</b>	<b>No. of Shares Held</b>
	<b>Percentage of holding</b>	<b>Percentage of holding</b>
Five shareholders (P.Y. Five shareholders)	2031000 67.70%	2031000 67.70%
<b>(3) Reserves &amp; Surplus</b>		
a. Securities Premium Account (Opening & Closing Balance)	1,000	1,000
b. Surplus in Statement of Profit and Loss		
Opening Balance	42,844,295	40,835,018
Add: Net Profit for the current year	<u>4,624,727</u>	<u>2,009,277</u>
Closing Balance	<u>47,469,022</u>	<u>42,844,295</u>
	<u>47,470,022</u>	<u>42,845,295</u>
<b>(4) Other Current Liabilities</b>		
Statutory Dues	9,773	8,432
Salary & bonus Payable	66,980	65,569
Other Payables	<u>62,250</u>	<u>323,125</u>
	<u>139,003</u>	<u>397,126</u>
<b>(5) Short-term Provisions</b>		
Provision for Tax (net of Advance Tax)	<u>635,411</u>	NIL
	<u>635,411</u>	<u>NIL</u>



# Hind Commerce Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

			As At 31.03.2017	As At 31.03.2016
			<u>Amt (Rs.)</u>	<u>Amt (Rs.)</u>
<b>(6) Non-current Investments</b>				
<b>A Non-trade Investments</b>				
<b>a) Investment in Equity Instruments</b>				
707500	(707500)	Eq. Sh of Rs. 2/- each of Lahoti Overseas Ltd.	3,113,000	3,113,000
NIL	(2300)	Eq. Sh. of Rs. 5/- each of Bharti Airtel Ltd.	NIL	971,728
125	(125)	Eq. Sh. of Rs. 10/- each of Damodar Industries Ltd.	3,935	3,935
NIL	(1501)	Eq. Sh. of Re. 1/- each of Godrej Industries Ltd.	NIL	666,824
NIL	(1675)	Eq. Sh. of Rs. 2/- each of HDFC Ltd.	NIL	981,436
NIL	(4000)	Eq. Sh. of Rs. 2/- each of ICICI Bank Ltd.	NIL	726,468
1000	(1000)	Eq. Sh. of Rs. 10/- each of Indus Fila Ltd.	239,500	239,500
NIL	(5875)	Eq. Sh. of Rs. 2/- each of Jai Prakash Associates Ltd.	NIL	1,053,409
NIL	(120)	Eq. Sh. of Rs. 10/- each of Century Enka Ltd.	NIL	20,724
3600	(3600)	Eq. Sh. of Re. 1/- each of Emami Ltd.	84,000	84,000
400	(400)	Eq. Sh. of Rs. 10/- each of Emami Infrastructure Ltd.	0.01	0.01
NIL	(2000)	Eq. Sh. of Re. 1/- each of FCS Software Solutions Ltd.	NIL	5,000
NIL	(106)	Eq. Sh. of Rs. 10/- each of Jet Airways(India) Ltd.	NIL	104,161
NIL	(5)	Eq. Sh. of Re. 1/- each of Provogue India Ltd.	NIL	150
NIL	(4560)	Eq. Sh. of Rs. 10/- each of Praj Industries Ltd.	NIL	643,921
NIL	(660)	Eq. Sh. of Rs. 2/- each of Punjab National Bank Ltd.	NIL	51,480
NIL	(121)	Eq. Sh. of Rs. 10/- each of Sasken Communication Tech.Ltd.	NIL	60,656
NIL	(9900)	Eq. Sh. of Re. 1/- each of SBI Ltd.	NIL	1,946,067
NIL	(1600)	Eq. Sh. of Rs. 10/- each of Union Bank of India Ltd.	NIL	25,600
200	(750)	Eq. Sh. of Rs. 5/- each of K.P.R.Mill Ltd.	45,000	168,750
NIL	(1935)	Eq. Sh. of Rs. 2/- each of Larsen & Toubro Ltd.	NIL	2,437,320
370	(370)	Eq. Sh. of Rs. 2/- each of Adani Ports and Special Eco. Zone Ltd	32,560	32,560
100	(100)	Eq. Sh. of Rs. 5/- each of Nagreeka Exports Ltd	2,205	2,205
NIL	(2500)	Eq. Sh. of Rs. 10/- each of Power Grid Corp Ltd.	NIL	390,683
1240	(1240)	Eq. Sh. of Rs. 10/- each of Reliance Industries Ltd.	1,481,152	1,481,152
NIL	(30000)	Eq. Sh. of Rs. 5/- each of Saamaya Biotech (India) Ltd.	NIL	312,011
100	(100)	Eq. Sh. of Rs. 5/- each of Prime Urban Development India Ltd.	1,384	1,384
NIL	(300)	Eq. Sh. of Rs. 10/- each of SB and T International Ltd.	NIL	0.01
NIL	(5)	Eq. Sh. of Rs. 2/- each of Prozone Intu Properties Ltd.	NIL	0.01
NIL	(49)	Eq. Sh. of Rs. 5/- each of V2 Retail Ltd.	NIL	13,230
*92500	(92500)	Eq. Sh of Rs. 10/- each of Bhalchandram Clothing Ltd.	925,000	925,000
			<u>5,927,736</u>	<u>16,462,354</u>



# Hind Commerce Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

			As At 31.03.2017 <u>Amt (Rs.)</u>	As At 31.03.2016 <u>Amt (Rs.)</u>
<b>(6) Non-current Investments</b>				
<b>A Non-trade Investments</b>				
<b>b) Investment in Debentures</b>				
NIL	(50)	Secured Redeemable Non-convertible Debenture of Rs. 100000/- each of Citicorp Finance (India) Ltd.	NIL	5,000,000
26	NIL	Rated Listed Secured Redeemable Non-Convertible Principal Protected Market Linked Debentures (NCDs) of Reliance Capital Ltd (RCL MLD Series B/410 – Type IV)	2,598,242	NIL
			<u>2,598,242</u>	<u>5,000,000</u>
<b>B Unquoted</b>				
<b>a) Investment in Equity Instruments</b>				
<b>Investment in Subsidiary</b>				
** NIL	(50000)	Eq. Sh. of Rs.10/-each of Crystal Tradecom Limited	NIL	500,000
			<u>NIL</u>	<u>500,000</u>
<b>Investment in other companies</b>				
32,500	(32500)	Eq. Sh of Rs. 10/- each of Asthvinayak Textile Trading Pvt. Ltd.	325,000	325,000
32,500	(32500)	Eq. Sh of Rs. 10/- each of Janaksuta Textile & Yarn Pvt. Ltd.	325,000	325,000
32,500	(32500)	Eq. Sh of Rs. 10/- each of Mast Mast Textile Trading Pvt. Ltd.	325,000	325,000
22,500	(22500)	Eq. Sh of Rs. 10/- each of Pawansoot Textiles (P) Ltd.	225,000	225,000
92,500	(92500)	Eq. Sh of Rs. 10/- each of Step by Step Exports (P) Ltd.	925,000	925,000
25,000	(25000)	Eq. Sh. of Rs. 10/- each of Sanghi Spinners India Ltd.	750,000	750,000
***NIL	(20000)	Eq. Sh. of Rs. 100/- each of Kirti Stock Brokers Pvt Ltd.	NIL	2,000,000
34,000	(34000)	Eq. Sh of Rs. 10/- each of Jamvant Textiles (P) Ltd.	340,000	340,000
17,000	(17000)	Eq. Sh of Rs. 10/- each of Mansadevi Text & Yarn Supp (P) Ltd.	170,000	170,000
23,500	(23500)	Eq. Sh of Rs. 10/- each of Shakambri Fabrics (P) Ltd.	235,000	235,000
**50000	(NIL)	Eq. Sh. of Rs.10/-each of Crystal Tradecom Limited	500,000	NIL
			<u>4,120,000</u>	<u>5,620,000</u>
<b>Investments in Limited Liability Partnership#</b>				
			2,000,000	NIL
***Kirti Stock Brokers LLP			<u>2,000,000</u>	<u>NIL</u>
<b>b) Investment in Debentures</b>				
70	(70)	Debentures of Rs. 30/- each of Rajashree Poly	2,100	2,100
			<u>2,100</u>	<u>2,100</u>



# Hind Commerce Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

			As At 31.03.2017 Amt (Rs.)	As At 31.03.2016 Amt (Rs.)
<b>(6) Non-current Investments</b>				
<b>B Unquoted</b>				
<b>c) Investment in units of Mutual Funds</b>				
13633220.19	(1287549.05)	HDFC Cash Management Fund T.A.P.- Retail - Growth	44,500,142	41,100,269
675621	6,901,333	Reliance Fixed Horizon Fund XXXII Series4 Regular-Growth	6,901,333	NIL
			51,401,476	41,100,269
<b>Total Non-current Investments</b>			<b>66,049,555</b>	<b>68,684,723</b>
<b>Aggregate book value of quoted investments</b>			<b>8,525,979</b>	<b>21,462,354</b>
<b>Market value of quoted investments</b>			<b>24,481,136</b>	<b>22,124,979</b>
<b>Aggregate book value of unquoted investments</b>			<b>55,523,576</b>	<b>47,222,369</b>
<b># Investment in Limited Liability Partnership</b>				
<b><u>Name of LLP: Kiriti Stock Brokers LLP</u></b>				
<b><u>Name of the Partner</u></b>			<b><u>Share in Partnership (in %)</u></b>	<b><u>Capital in Partnership</u></b>
Umesh Lahoti			28%	2,805,000
Ujwal Lahoti			28%	2,805,000
Jayashree Lahoti			12%	1,245,000
Manjushri Lahoti			12%	1,245,000
Hind Commerce Limited			20%	2,000,000
* Quotation not available and hence market market value taken at cost				
** Crystal Tradecom Limited ceased to be subsidiary w.e.f 30.03.2017				
*** M/s Kirti Stockbrokers Pvt Ltd has been converted into LLP w.e.f. 07.06.2016				



# Hind Commerce Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

	As At 31.03.2017 Amt (Rs.)	As At 31.03.2016 Amt (Rs.)
<b>(7) Deferred Tax Asset/(Liability)</b>		
Major components of Deferred Tax Asset/(Liability) arising on account of temporary timing differences are given below:		
<b>Deferred Tax Asset</b>		
On account of provision for unpaid leave salary and bonus	7,852	NIL
	<u>7,852</u>	<u>NIL</u>
<b>Deferred Tax Liability</b>	NIL	NIL
Deferred Tax Asset (Net)	<u>7,852</u>	<u>NIL</u>
<b>(8) Long-term Loans &amp; Advances</b>		
(Unsecured, considered good)		
Security Deposits #	351,210	351,210
Deposit with Sales Tax authorities	25,000	25,000
Other Loans & Advances		
-- MAT Credit Entitlement	248,434	126,313
-- Advance Income Tax (Net of Provisions)	17,441	46,117
	<u>642,085</u>	<u>548,640</u>
#	Deposit include Rs. 3.5 Lacs (Previous Year Rs. 3.5 Lacs) being interest free security deposit, for Office Premises, to a company in which some of the Directors are interested.	
<b>(9) Trade Receivables</b>		
(Unsecured, considered good)		
Outstanding for a period less than six months from the date they are due for payment	8,296,196	NIL
	<u>8,296,196</u>	<u>NIL</u>
<b>(10) Cash &amp; Bank Balances</b>		
Cash & Cash Equivalents		
--Cash on Hand	9,956	1,816
--Balance with Banks in Current Accounts	619,742	635,937
	<u>629,698</u>	<u>637,753</u>
<b>(11) Short-term Loans &amp; Advances</b>		
(Unsecured, considered good)		
Loans and advances to employees	186,920	229,279
Other loans & advances	2,424,131	2,902,369
	<u>2,611,051</u>	<u>3,131,648</u>



# Hind Commerce Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

	As At 31.03.2017 Amt (Rs.)	As At 31.03.2016 Amt (Rs.)
<b>(12) Other Current Assets</b>		
Advances recoverable in cash or in kind or for value to be received	8,000	239,658
	<u>8,000</u>	<u>239,658</u>
<b>(13) Revenue from Operations</b>		
Sales of Products		
-Export Sales of Cotton Yarn	38,346,502	15,468,889
Other Operating Revenue		
Duty Drawback	1,122,773	455,624
	<u>39,469,275</u>	<u>15,924,513</u>
<b>(14) Other Income</b>		
Profit/(Loss) on sale of Investments		
- Non-current	6,809,716	2,877,261
Dividend Income		
- Non-current	108,228	774,038
Interest on Loan	106,907	363,027
Interest on I.T. Refund	1,484	20,919
Miscellaneous Income	NIL	60
Gain/(Loss) on Foreign Exchange Fluctuation	(460,296)	(285,713)
	<u>6,566,039</u>	<u>3,749,593</u>
<b>(15) Purchases of Stock-in-Trade</b>		
Cotton Yarns	37,893,286	15,213,281
	<u>37,893,286</u>	<u>15,213,281</u>
<b>(16) Employee Benefits Expenses</b>		
Salary, bonus etc.	534,969	521,136
	<u>534,969</u>	<u>521,136</u>
<b>(17) Financial Costs</b>		
Interest on deferment of advance tax	49,820	24,221
Interest on TDS	29	5
	<u>49,849</u>	<u>24,226</u>



# Hind Commerce Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

	As At 31.03.2017	As At 31.03.2016
	Amt (Rs.)	Amt (Rs.)
<b>(18) Other Expenses</b>		
Ocean Freight	550,111	201,142
Road Transportation	281,000	245,000
Clearing & Forwarding Charges	24,100	20,090
Shipment Charges	221,718	113,045
Loading & Unloading Charges	1,600	NIL
Shares/Units Transaction Charges	11,177	32,745
Securities Transaction Tax	12,675	1
Listing Fees	229,000	224,720
Custodial Fees	27,510	20,610
Profession Tax	2,000	2,500
Auditors' Remuneration		
- For Statutory Audit	34,500	35,206
- For Tax Audit	11,500	11,450
- For Limited Review	11,500	8,589
- For Other Services	11,750	11,664
Advertisement Exps	75,963	112,361
Conveyance Exp.	7,800	7,690
Domain Hosting Exps	4,580	4,560
Filing Fees	3,044	28,800
Insurance Premium	67,507	20,039
Legal & Professional Fees	129,025	80,373
Office & General Exp.	1,325	168
Bank Charges	36,178	15,227
Printing & Stationery	835	4,988
Postage & Courier Charges	7,950	11,205
Membership & Subscription	11,286	NIL
Business Promotion Expenses	215,000	135,000
	1,990,635	1,347,173

### (19) Segment Reporting

The Company is engaged solely in trading and investment activity during the year and all activities of the Company revolve around this activity. As such there are no reportable segment as defined by Accounting Standard 17 on Segment Reporting issued by the Institute of Chartered Accountants of India.





# Hind Commerce Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

### (20) Related Party Disclosures

#### i. List of Related Parties with whom transaction have taken place & Relationship.

Name of the Related Party	Relationship
a. Rajesh Bangera	Key Managerial Person (CFO)
b. Pragati Sawant	Key Managerial Person (CS)
c. P.S. Ware Information Pvt. Ltd.	Enterprise over which Key Management Personnel are able to exercise significant influence
d. Lahoti Overseas Ltd.	Enterprise over which Key Management Personnel are able to exercise significant influence
e. Crystal Tradecom Limited	Subsidiary upto 30.03.2017

#### ii. Transaction with Related Parties during the year :-

	<b>2016-17</b>	<b>2015-16</b>
	<b>Amt(Rs.)</b>	<b>Amt(Rs.)</b>
<b>a. Key Managerial Person</b>		
Interest received	20,145	14,073
Repayment of Loan given	57,359	20,721
Advance against salary given	30,000	NIL
Advance against salary received back	15,000	NIL
Salary, Bonus, etc	534,969	521,136

#### iii. Balance outstanding at the year end is as under :

	<b>As At</b>	<b>As At</b>
	<b>31.03.2017</b>	<b>31.03.2016</b>
	<b>Amt(Rs.)</b>	<b>Amt(Rs.)</b>
<b>a. Key Managerial Person</b>		
Short-term Loan	171,920	229,279
Advance against Salary	15,000	NIL
Salary & Bonus Payable	66,980	65,569
<b>b. Enterprises over which Key Management personnel are able to exercise significant influence :</b>		
Deposits Given	350,000	350,000
Investments	3,113,000	3,113,000
<b>c. Subsidiary</b>		
Investments	NIL	500000



# Hind Commerce Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

<b>(21) Earnings Per Share (EPS)</b>	<b>2016-17</b>	<b>2015-16</b>
i) Weighted Average Number of Equity Shares outstanding during the year	3,000,000	3,000,000
ii) Net Profit after tax available for Equity Shareholders (Rs.)	4624727/-	2009277/-
iii) Basic and Diluted Earnings Per Share (Rs.)	1.54	0.67
iv) Nominal Value Per Share (Rs.)	10/-	10/-
The Company does not have any outstanding dilutive potential equity shares.		
<b>(22) Earnings in Foreign Currency</b>	<b>2016-17</b>	<b>2015-16</b>
FOB Value of Exports	38346502/-	15468889/-

### (23) Disclosure in respect of Specified Bank Notes (SBNs) held and transacted:

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand on November 8, 2016	1,500	124	1,624
(+) Permitted receipts	NIL	-	-
(-) Permitted payments	NIL	-	-
(-) Amount deposited in banks	1,500	-	-
Closing cash in hand on December 30, 2016	NIL	-	-

\* For the purpose of this clause, the term "Specified Bank Notes" is defined as Bank Notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees.

The disclosures with respects to 'Permitted Receipts', 'Permitted Payments', 'Amount Deposited in Banks' and 'Closing Cash in Hand as on 30th December, 2016 is understood to be applicable in case of SBNs only.

### (24) Previous year figures

Previous Year's figures have been regrouped/reclassified, wherever necessary, to correspond with the current year's classification/disclosures.

As per our report of even date

**For K K KHADARIA & CO**  
CHARTERED ACCOUNTANTS

**AJAY DAGA**  
Partner

Place : Mumbai  
Dated : 30<sup>th</sup> May , 2017

**For and on behalf of the board**

**Ujwal Lahoti**  
Director  
DIN:00360785

**Rajesh Venket Bangera**  
Chief Financial Officer

**Umesh Lahoti**  
Director  
DIN:00361216

**Pragati P. Sawant**  
Company Secretary