



Hind Commerce Limited

29th Annual Report 2013-14



HIND COMMERCE LIMITED

307, Arun Chambers, Tardeo Road, Mumbai – 400 034.
Tel. No. +91-22-4050 0100 Fax. No. +91-22-4050 0140
Email.: investor@hindcommerce.com Website: www.hindcommerce.com
CIN : L51900MH1984PLC085440

Notice

NOTICE is hereby given that the **29th Annual General Meeting** of the Members of **HIND COMMERCE LIMITED** ('the Company') will be held on Saturday, 27th September, 2014 at the Registered Office of the Company at 307, Arun Chambers, Tardeo Road, Mumbai- 400 034 at 11.30 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Profit & Loss Account for the year ended on that date together with the Board of Directors' Report & Auditors' Report thereon.
2. To appoint a Director in place of Mr. Ujwal Lahoti, (DIN: 00360785), who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT subject to ratification by the shareholders at every Annual General Meeting, M/s. K. K. Khadaria & Co., Chartered Accountants, Mumbai (Registration No. 105013W) be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this 29th Annual General Meeting until the conclusion of the 32nd Annual General Meeting of the Company and that their remuneration be fixed by the Audit Committee."

SPECIAL BUSINESS

4. Appointment of Mr. Prakash Ramchandra Bang as an Independent Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Prakash Ramchandra Bang (DIN: 00088837), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years upto 31st March, 2019."

5. Appointment of Mr. Sanjay Rajendra Soni as an Independent Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Sanjay Rajendra Soni (DIN: 02613471), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years upto 31st March, 2019."

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Special Resolution:

"RESOLVED THAT in supersession of all previous resolutions passed by the Company and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies Act, 1956, (including any amendment thereto or re-enactment thereof) (hereinafter referred to as the



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"Act"), consent of the members be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this resolution) for borrowing, on behalf of the Company, any sum or sums of money, from time to time, as they may consider fit, any sum of money, in any manner, and without prejudice to the generality thereof, by way of loans, advances, credits, acceptance of deposits or otherwise in Indian rupees or any other foreign currency, from any bank or banks, or any financial institutions, other person or persons, and whether the same may be secured or unsecured, and if secured, whether domestic or international, whether by way of mortgage, charge, hypothecation, pledge or otherwise in any way whatsoever, on, over or in any respect of all, or any of the Company's assets and effects or properties including uncalled capital, stock in trade (including raw materials, stores, spares and components in stock or stock in transit), notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) and remaining undischarged at any given time, will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose so however that the total amount upto which money may be borrowed by the Board under this resolution, at any one time shall not exceed, in the aggregate, the sum of ₹ 50.00 Crores (Rupees Fifty Crores Only) and/or in equivalent foreign currency.

RESOLVED FURTHER THAT for the purpose of giving effect to the this resolution, the Board, be and is hereby authorised to delegate all or any of the powers herein conferred, to any Committee(s) of Directors or any one or more Directors of the Company, with the power to further delegate any such powers as they may deem fit, to finalize, settle and execute such documents / deeds / writings / agreements, as may be required, and to all such acts, matters and things as it may at its absolute discretion deem proper, fit and expedient and to settle any question difficulty or doubt that may arise in regard or otherwise considered to be in the best interests of the Company."

Place: Mumbai
Date: 7th May, 2014

By Order of the Board of Directors

Umesh Lahoti
CHAIRMAN
(DIN : 00361216)

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing the proxy, in order to be effective, should be duly completed and deposited at the registered office of the Company not less than 48 (forty-eight) hours before the commencement of the meeting.
2. Corporate members intended to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Members/Proxy holders are requested to bring their copy of Annual Report and Attendance slip sent herewith, duly filled-in for attending the Meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 22nd September, 2014 to Saturday, 27th September, 2014 (both days inclusive).
5. The Shareholders are requested to notify their change of address immediately to the Registrars & Share Transfer Agent – **Sharepro Services (India) Private Limited**. The Company or its registrar will not act on any request received directly from the shareholder holding shares in electronic form for any change of bank particulars or bank mandate. Such changes are to be advised only to the Depository Participant by the Shareholders.
6. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect to special business annexed hereto.
7. Members intending to seek explanation / clarification about the Accounts at the meeting are requested to inform the Company at least a week in advance of their intention to do so, so that relevant information may be made available, if the Chairperson permits such information to be furnished.
8. Equity shares of the Company are under compulsory Demat trading by all Investors. Those shareholders who have not dematerialized their equity shares are advised to dematerialize their shareholding, to avoid inconvenience in future.



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9. Re-appointment of Directors: At the ensuing Annual General Meeting Mr. Ujwal Lahoti, (holding DIN 00360785) liable for retire by rotation, and being eligible, offer themselves for re-appointment. The details pertaining to these Directors required to be provided pursuant to Clause 49 of the listing agreement are furnished in the statement on Corporate Governance published elsewhere in this Annual report.
10. The shareholders who are holding shares in demat form and have not yet registered their e-mail IDs, are requested to register their e-mail IDs with their Depository Participant at the earliest, to enable the Company to use the same for serving documents to them electronically, hereinafter. Shareholders holding shares in physical form may kindly provide their e-mail IDs to the RTA sending an e-mail at sharepro@shareproservices.com. The Annual Report of the Company would also be made available on the Company's website www.hindcommerce.com

11. E-Voting

In compliance with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its Shareholders with facility to exercise their right to vote at the 29th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

Process for E-Voting –

The Company has entered into an arrangement with Central Depository Services (India) Limited (CDSL) for facilitating e-voting for AGM. The instructions for e-voting are as under:

- i) Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com
- ii) Now, click on "Shareholders" tab to cast your votes.
- iii) Select the Electronic Voting Sequence Number "EVSN"- 140805036 along with "HIND COMMERCE LIMITED" from the drop down menu and click on "SUBMIT" for voting.
- iv) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User – ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company.

- v) Next enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in Demat form and had logged on to www.evotingindia.com and have cast your vote earlier for EVSN of any Company, then your existing User Id and Password are to be used.
- vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.



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- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN – 140805036 for the HIND COMMERCE LIMITED on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional members (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com with a copy marked to hiteshkotharics@gmail.com
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xviii) **The E-voting period will commence from Sunday, 21st September, 2014 at 10:00 Hrs. and will end on Tuesday, 23rd September, 2014 at 18:00 Hrs. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form as on the cutoff date (record date) of 22nd August, 2014, may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.**
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com .
- (xx) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 22/08/2014.
- (xxi) Mr. Hitesh Kothari, Partner of Kothari H. & Associates, Practicing Company Secretaries (Membership No. 6038, CP No. 5502) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (xxii) The Scrutinizer shall within a period not exceeding 3 (three) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make a Scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (xxiii) The Results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer's report shall be placed on the Company's website www.hindcommerce.com and on the website of CDSL within 2 (two) working days of the passing of the resolutions at the AGM of the Company and communicated to the Stock Exchange.



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13. Information required to be provided under the Listing Agreement entered into with various Stock Exchanges, regarding the Directors who are proposed to be appointed / re-appointed is as below:

Name of Director	Prakash Ramchandra Bang	Sanjay Rajendra Soni
Age (years)	58 Years	35 Years
Qualifications	B.Sc. (Hons); MBA (Marketing); MIMA	Chartered Accountant (CA)
Expertise	successful market strategist in India and abroad for brands like Hallmark Cards, Videocon Audio, Indian Express Group of Publications, BPL Mobile, Luna, Kinetic Honda, Shree Cement, Mantri Housing, Pulse Super Market, GoYo.com, roomsXML, Bilcare and Biltube amongst many others.	diverse exposure in Audit of Corporate entities, Partnership Firms, Trusts, Societies etc and have hands in the area of indirect taxations, financial due diligence, supervision and statutory audit of different entities, trading houses, construction companies, stock broking entities, etc.
Directorships held in other Companies	1. Lahoti Overseas Limited 2. Websource Technologies Limited 3. roomsXML Solutions Limited 4. Indrayani Biotech Limited	Nil
Memberships / Chairmanships of committees of other public companies.	Indrayani Biotech Limited - Shareholders' Grievance Committee - Member	Nil
Shareholding (No. of shares)	Nil	Nil

Place: Mumbai
Date: 7th May, 2014

By Order of the Board of Directors

Umesh Lahoti
Chairman
(DIN: 00361216)

Registered Office:
307, Arun Chambers,
Tardeo Road,
Mumbai – 400 034.

Annexure to Notice

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

The following Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 ("Act"), sets out all material facts relating to the business mentioned at Item Nos. 4 to 5 of the accompanying Notice dated May 7, 2014:
Item Nos. 4 & 5

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges, appointed Mr. Prakash Ramchandra Bang & Mr. Sanjay Rajendra Soni as Independent Directors at various times, in compliance with the requirements of the said clause.

As per the provisions of Section 149(4) which has come into force with effect from 1st April, 2014, every listed company is required to have at least one-third of the total number of Directors as Independent Directors. Further, Section 149(10) of the Act provides that an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation pursuant to Section 149(13) read with Section 152 of the Act.



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The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement which would be effective from October 1, 2014 inter alia stipulates the conditions for the appointment of Independent Directors by a listed company.

The above Independent Directors have given a declaration to the Board that they meet the criteria of independence as provided under Section 149 (6) of the Act. In the opinion of the Board, the above Independent Directors fulfill the conditions specified in the Act and the Rules made thereunder for appointment as Independent Directors and they are independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of the above Directors as Independent Directors is now being placed before the Members in General Meeting for their approval.

The brief profile of the Independent Directors to be appointed is given below:

- Mr. Prakash Ramchandra Bang

Mr. Bang has Over 43 years of practical experience in India and abroad across a range of products and services. He was instrumental in building and executing creative and marketing strategies for various brands including Hallmark Cards, Videocon, Indian Express, Kinetic Engineering, BPL Mobile, roomsXML.com, Bangoes.com, YoGoYo.com, Vama, Men's Avenue, Lahoti Overseas and many others. Prakash is a regular speaker at many management institutes and professional forums. He is the author of the critically acclaimed book, 'YOUR ENTERPRISE ISN'T DEAD.YET.'
Mr. Bang has been on the Company's Board since 16th May, 1991.

- Mr. Sanjay Rajendra Soni

Mr. Sanjay Soni, 35, is a Non-Executive Independent Director of our Company. He is a Chartered Accountant by qualification. He is a graduate in Commerce from "Commerce Collage", University of Rajasthan, Jaipur. He went on to pursue higher education for CA and received Fellow Membership of Chartered Accountant from the Institute of Chartered Accountants of India in 2009. In 2004 he joined M/s. Lahoti Navneet & Co, Chartered Accountant firm and become partner in the year 2007. He has diverse exposure in Audit of Corporate entities, Partnership Firms, Trusts, Societies etc and have hands in the area of indirect taxations, financial due diligence, supervision and statutory audit of different entities, trading houses, construction companies, stock broking entities, etc.

Mr. Soni has been on the Company's Board since May 12, 2011.

Item Nos. 6

Section 180(1)(c) of the Companies Act, 2013 requires the consent of the shareholders of a Company by way of a Special Resolution at a General Meeting to enable the Board of Directors to borrow monies to be borrowed, together with the monies already borrowed by the (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), which may exceed the aggregate of the paid up share capital of the Company and its free reserves. Since the current borrowing powers of the Board of directors may not be sufficient to facilitate the Board to borrow for the purpose of the business of the company, the approval of the shareholders is being sought by special resolution for enabling authority in favor of the Board to increase its borrowing power to ₹ 50.00 Crores (Rupees Fifty Crores Only) in addition to the aggregate of the paid up share capital and free reserve of the Company. Hence, the approval of the members of the Company is being sought for the resolution set-out under Item No. 6 by way of Special resolution.

The Board of Directors of your Company recommends the passing of the Resolutions set - out under Items No. 6 of the Notice as Special Resolutions in terms of Section 180(1)(c) of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel (KMP) of the company or their relatives are concerned or interested in the said Special Resolutions.

Place: Mumbai
Date: 7th May, 2014

By Order of the Board of Directors

Umesh Lahoti
Chairman
(DIN: 00361216)



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HIND COMMERCE LIMITED

Registered Office: 307, Arun Chambers, Tardeo Road, Mumbai – 400 034.
CIN- L51900MH1984PLC085440, Website: www.hindcommerce.com, Tel No - +91-22-4050 0100

ATTENDANCE SLIP

(To be signed and handed over at the entrance of the meeting venue)

Regd. Folio No.: _____

DP ID*: _____

No. of Shares held: _____

Client ID*: _____

Full Name of the Member (in Block Letters): _____

Name of the Proxy: _____

(To be filled-in if the Proxy Form has been duly deposited with the Company)

I hereby record my presence at the **TWENTY NINTH ANNUAL GENERAL MEETING** of the Company on **Saturday, September 27, 2014 at 11:30 A.M.** at the Registered Office of the Company at 307, Arun Chambers, Tardeo Road, Mumbai-400 034.

Members / Proxy's Signature
(To be signed at the time of handing over this slip)

* Applicable for members holding shares in electronic form.

Note: Members are requested to bring their copies of the Annual Report to the meeting



HIND COMMERCE LIMITED

Registered Office: 307, Arun Chambers, Tardeo Road, Mumbai – 400 034.
CIN- L51900MH1984PLC085440, Website: www.hindcommerce.com, Tel No - +91-22-4050 0100

PROXY FORM - MGT - 11

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

CIN: L51900MH1984PLC085440

Name of the Company: HIND COMMERCE LIMITED

Registered Office: 307 Arun Chambers, Tardeo Road, Mumbai – 400 034. India

Name of the Member (s):

Registered Address:

E-mail Id: Folio No / Client Id: DP ID:

I / We, being the member(s) of _____ shares of the above mentioned company, hereby appoint

1. Name:

Address:

E-mail Id:

Signature:, or failing him/her



HIND COMMERCE LIMITED

2. Name:

Address:

E-mail Id:

Signature:, or failing him/her

3. Name:

Address:

E-mail Id:

Signature:

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the **Twenty Ninth Annual General Meeting** of the Company to be held on Saturday, the 27th day of September, 2014 at 11.30 a.m. at 307, Arun Chambers, Tardeo Road, Mumbai-400 034 and at any adjournment thereof, in respect of such resolutions as are indicated below:

ORDINARY RESOLUTION

Resolution No. 1 : Adoption of Financial Statements for the financial year ended March 31, 2014 and the Profit & Loss Account for the year ended on that date together with reports of the Auditors and Board of Directors thereon.

Resolution No.2 : Re-appointment of Mr. Ujwal Lahoti, Director, who retires by rotation.

Resolution No.3 : Appointment of M/s. K. K. Khadaria & Co. Chartered Accountants as Statutory Auditors for a period of 3 years and fixing their remuneration.

SPECIAL RESOLUTION

Resolution No. 5: Appointment of Mr. Prakash Ramchandra Bang as an Independent Director for a period of 5 years.

Resolution No. 6: Appointment of Mr. Sanjay Rajendra Soni as an Independent Director for a period of 5 years.

Resolution No. 7: Increase in the borrowing power in terms of Section 180 (1)(c) of the Companies Act, 2013.

Signed this day of, 2014

Signature of Shareholder (s)

Signature of Proxy Holder (s)

Affix a
1 Rupee
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Ujwal R. Lahoti
Mr. Umesh R. Lahoti
Mr. Prakash R. Bang
Mr. Sanjay R. Soni

COMPANY SECRETARY

Ms. Hemali Gohil

COMPLIANCE OFFICER

Mr. Aweline Mendes

CHIEF FINANCIAL OFFICER

Mr. Rajesh Bangera

STATUTORY AUDITORS

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

BANKERS

Punjab National Bank
Oriental Bank of Commerce
Axis Bank Ltd.

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
Website: www.hindcommerce.com

REGISTRARS & SHARE TRANSFER AGENTS

Sharepro Services (India) Private Limited
13 AB, Samhita Warehousing Complex,
2nd Floor, Sakinaka Telephone Exchange Lane,
Off. Andheri-Kurla Road, Sakinaka,
Andheri (East), Mumbai - 400 072.
Tel: +91-22-6772 0300/400
Fax: +91-22-2859 1568 / 2850 8927
Email: sharepro@shareproservices.com
Website: www.shareproservices.com

**DIRECTOR'S REPORT**

To,
The Fellow Members,

Your Directors have pleasure in placing before you the 29th Annual Report of the Company, alongwith the Audited Statement of Accounts for the year ended 31st March, 2014.

FINANCIAL HIGHLIGHTS:

(₹ in Lacs)

Particulars	For the year ended on 31 st March, 2014	For the year ended on 31 st March, 2013
Total Income	80.93	67.34
Profit/(Loss) before Tax	33.77	5.47
Provision for Tax		
Current Tax	7.63	2.85
Deferred Tax	(0.001)	(0.00)
Tax for Earlier Years	0.00	(0.00)
Profit/(Loss) After Tax	26.15	2.65

1. PERFORMANCE REVIEW

During the year, your Company has performed well as compared to previous year. It has recorded a total income of ₹ 80.93 Lacs against the total income of ₹ 67.34 Lac in the previous year, with an increase of 20.18%. The Profit after Tax has been increased from ₹ 2.65 Lacs to ₹ 26.15 Lacs with an increase of 886.79%.

2. DIVIDEND

Your Directors recommend No Dividends for the year under review.

3. DEPOSITORY SYSTEM

The Company's equity shares are compulsorily tradable in electronic form. As of 31st March, 2014, 51.42% of the Company's total paid-up capital representing 3,000,000 equity shares is in dematerialized form. In view of the benefits offered by the Depository systems, members holding shares in physical mode are advised to avail the demat facility.

4. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required under Clause 49 of the Listing Agreement with the Stock Exchange, the Management Discussion and Analysis of the financial condition and results of consolidated

operations of the Company under review, is annexed and forms an integral part of the Directors' Report.

5. PUBLIC DEPOSIT

The Company has not accepted deposit from public during the year under review. As such, no amount of principal or interest is outstanding as of the Balance Sheet date.

6. SUBSIDIARY COMPANIES

The Company as of March 31, 2014 had one subsidiary, viz. Crystal Tradecom Limited as wholly owned subsidiary of Hind Commerce Limited.

No Independent Director on the Board of the Company is required to be inducted on the Board of its subsidiaries as none of the subsidiary is a material non-listed subsidiary Company as defined under revised Clause 49 of the listing agreement. The Audit Committee of the Company reviews the financial statements of the unlisted subsidiary companies. The minutes of the Board meetings of unlisted subsidiary companies are regularly placed at the Board meetings of the Company.

7. ANNUAL ACCOUNTS OF THE SUBSIDIARY COMPANIES

Ministry of Corporate Affairs (MCA), Govt. of India has, vide circular No. 5/12/2007-CL-III dated February 08, 2011, issued general exemption under Section 212(8) of the Companies Act, 1956 to the Companies fulfilling the conditions contained in the above circular from complying with the provisions of sub-section (1) of Section 212 of the Companies Act, 1956 which requires holding companies to attach annual accounts and other documents of subsidiary companies to its Balance Sheet. Accordingly, the Company has not attached the annual accounts and other documents of its subsidiaries to this Annual Report. Summarized financial information of each subsidiary has been included in the disclosures to Consolidated Financial Statements of the Company.

Annual Accounts of Company's subsidiary company and the related detailed information will be made available to the shareholders of the holding and subsidiary companies seeking such information at any point of time. Interested shareholders may write to Secretarial Department of the Company in this regard.



The Annual Accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies.

8. DIRECTORS

Section 149 of the Companies Act, 2013 (the Act) which defines the composition of the Board has been notified effective April 1, 2014 and provides that an independent director shall not hold office for more than two consecutive terms of five years each provided that the director is re-appointed by passing a special resolution on completion of first term of five consecutive years.

As per the explanation provided under Section 149 of the Act, any tenure of an independent Director on the date of commencement of this Section i.e. April 1, 2014 shall not be counted as a term. The tenure of every independent director to compute the period of first five consecutive years would be reckoned afresh from April 1, 2014. In term of the aforesaid provisions, the independent Directors of the Company will be eligible to hold office for a consecutive period of five years as per applicable provisions of the Companies Act, 2013.

Section 152 of the Act, also notified effective April 1, 2014 provides that independent directors would need to be excluded from the total number of directors for the purpose of computing the number of directors whose period of office will be liable to determination by retirement of directors by rotation.

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

1. Mr. Prakash Ramchandra Bang
2. Mr. Sanjay Rajendra Soni

Brief profile of the proposed appointees together with other disclosures in terms of clause 49 of the Listing Agreement are part of the Annexure to the Notice of the 29th Annual General Meeting.

9. COMPLIANCE CERTIFICATE

Pursuant to Section 383A of the Companies Act, 1956, a Compliance Certificate from M/s. Kothari H. & Associates, Practising Company Secretaries, regarding status on compliance of the provisions of the Companies Act, 1956 by the Company has been annexed along with this report.

10. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- a. in the preparation of the annual accounts for the year ended March 31, 2014, the applicable Accounting Standards read with the requirements set out under Schedule VI of the Companies Act, 1956 have been followed and there are no material departures from the same, if any;
- b. the Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the State of affairs of the Company as at March 31, 2014 and of the Profit of the Company for the year ended on that date;
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. the Directors had prepared the annual accounts of the Company on a 'going concern' basis.

11. AUDITORS AND AUDITORS' REPORT

M/s. K. K. Khadaria & Co., Chartered Accountants, Mumbai (Registration No. 103132W) Statutory Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment. A certificate to the effect that their appointment, if made, will be within the prescribed limits under Section 141 of the Companies Act, 2013, has been obtained from them. In accordance with Section 139(1) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Board on the recommendation of the Audit Committee recommends the re-appointment of K. K. Khadaria & Co. as Statutory Auditor of the Company for the next three (3) consecutive financial years i.e. 2014-15, 2015-16 & 2016-17 that subject to rectification by the shareholders at every Annual General Meeting.

**12. SECRETARIAL AUDITOR**

As required under Section 204 of the Companies Act, 2013, the Board of Directors has in its meeting held on 7th May, 2014 appointed Mr. Hitesh Kothari, Partner, Kothari H. & Associates, Practicing Company Secretaries, Mumbai holding certificate of practice number 5502 issued by The Institute of Company Secretaries of India as Secretarial Auditor for the Financial year 2014-15.

In compliance with the directives issued by the Securities and Exchange Board of India (SEBI), Secretarial Audit is being conducted by Kothari H. & Associates, Practicing Company Secretary at specified periodicity and the reports are being submitted to respective stock exchanges.

13. LISTING

The Equity Shares of your Company are listed on Pune Stock Exchange Limited, Pune, Maharashtra. It may be noted that there are no payments outstanding to the Stock Exchanges by way of Listing Fees, etc. The Company has commenced the procedure to get its securities listed on BSE Limited under Direct Listing route from Pune Stock Exchange Limited.

14. PARTICULARS OF EMPLOYEES

No Employee of the Company draws remuneration in excess of limit prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

15. ENERGY CONSERVATION MEASURES, TECHNOLOGY ABSORPTION AND R & D EFFORTS AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Company is not a manufacturing Company and hence the particulars required to be furnished U/s. 217(1)(e) of the Companies Act, 1956 regarding energy conservation

measures, technology absorption and R & D efforts does not apply to the Company.

During the period under review the Company has not earned any Foreign Exchange and also incurred the Foreign Exchange outgo of Nil.

16. REPORT ON CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Company has implemented several best corporate governance practices as prevalent globally.

The Report on Corporate Governance, as stipulated under Clause 49 of the Listing Agreement, forms the part of Annual Report.

The requisite Certificate from the Auditors of the Company confirming compliance with conditions of Corporate Governance as stipulated under the aforesaid Clause 49 is annexed to this Report.

17. ACKNOWLEDGEMENT

The Directors wish to put on record their appreciation of the wholehearted and sincere co-operation received by the Company from the bankers, buyers and Suppliers.

The Directors also wish to put on record their appreciation of the excellent contribution made by all the sections of employees for the growth of the Company.

BY ORDER OF THE BOARD

Place: Mumbai
Date: 7th May, 2014

UMESH LAHOTI
CHAIRMAN
DIN- 00361216



COMPLIANCE CERTIFICATE

To,
The Members,
Hind Commerce Limited
307, Arun Chambers,
Tardeo Road, Mumbai – 400 034.

We have examined the registers, records, books and papers of **HIND COMMERCE LIMITED** ('the Company') as particularly required to be maintained under the Companies Act, 1956, ('the Act') and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March, 2014 ('the financial year'). In our opinion, and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company being Public Limited Company has the minimum prescribed paid-up capital and its maximum number of members within the limit of the Act, during the year under scrutiny:
 - (i) has not invited public to subscribe for its shares or debentures; and
 - (ii) has not invited or accepted any deposits from persons other than its members, directors or their relatives.
4. The Board of Directors met on 28th May, 2013, 7th August, 2013, 22nd October, 2013, 11th February, 2014 and 14th March, 2014 for every meeting notices were given and the proceedings were recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Register of Members of the Company was closed from Monday, 22nd September, 2014 to Saturday, 27th September, 2014 (both days inclusive) during the financial year.
6. The Annual General Meeting for the financial year ended on 31st March, 2013 was held on 28th September, 2013 after giving due notice to the members of the Company and the resolutions passed thereat were recorded in Minutes Book maintained for the purpose.
7. During the financial year, one Extra Ordinary General Meeting was held on 25th March, 2014 after giving due notice to the members of the Company and the resolutions passed thereat were recorded in Minutes Book maintained for the purpose.
8. As per explanation and information, the Company has not given any loan under section 295 of the Act.
9. As per records & explanations given to us, the Company has not entered into contracts, which are falling within the purview of Section 297 of the Act.
10. The Company has made the necessary entries in the register maintained under Section 301 of the Act.
11. As there was no instance falling within the purview of Section 314 of the Act, the Company was not required to obtain any approval from the Board of directors, and members for this purpose.
12. The Company has not issued any duplicate Certificates during the financial year.
13. During the financial year;
 - a. There was no transfer or allotment or transmission of securities during the year.
 - b. The Company has not deposited any amount in a separate bank account as no dividend was declared.
 - c. The Company has not posted warrants to any member of the Company as no dividend was declared.
 - d. There was no amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued which have remained unclaimed or unpaid for a period of seven years be transferred to Investor Education and Protection Fund (IEPF).
 - e. The Company has complied with the requirements of Section 217 of the Act.



14. The Board of Directors of the Company is properly constituted during the year. There was no appointment of Additional Directors, Alternate Directors and Directors to fill casual vacancy during the financial year.
15. The Company has appointed Mr. Umesh R. Lahoti as Managing Director w.e.f. 15th March, 2014 for a period of Five (5) years under Section 269 of the Act.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to any approval from the Central Government, Company Law Board, Regional Director, Registrar of Companies and / or such authorities prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued equity shares, and did not issued debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The amount borrowed by the Company during the financial year ending is within the borrowed limits as per Section 293(1)(d) of the Act.
25. There was no instance falling under Section 372A of the Act with regard to loans given, investment made, or guarantee given or securities provided to other body corporate during the financial year.
26. The Company has not altered the provisions of the Memorandum of Association with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum of Association with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum of Association with respect to the name clause of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum of Association with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered the provisions of Articles of Association of the Company during the year under scrutiny.
31. There was no prosecution initiated against or show cause notices received by the Company, during the financial year for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not deducted any contribution towards Provident Fund during the financial year in terms of Section 418 of the Act as the said Section is not applicable to the Company.

FOR KOTHARI H. & ASSOCIATES

Company Secretaries

Hitesh Kothari
(Partner)
C. P. No. 5502

Place: Mumbai
Date: 7th May, 2014

**Annexure – A**

Registers as maintained by the Company

1. Register of members under Section 150
2. Register of Share Transfers
3. Register of particulars of contracts in which directors are interested under Section 301
4. Register of Directors, Managing Director, Manager and Secretary under Section 303.
5. Register of Director's shareholding under Section 307.

6. Minutes book of General Meetings and Board Meetings under Section 193.
7. Register of Director's Attendance
8. Register of Inter-corporate Investment, loans & Guarantee under Section 372A.

Annexure – BForms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended 31st March 2014.

Sr. No.	Form No./ Return	Filed u/s.	For Filing of	Date of filing	Whether filed within prescribed time Yes/ No	If delay in filing whether requisite additional fee paid Yes/ No
1.	Form 23AC/ACA XBRL (For F.Y. 2012-13)	220	Balance Sheet & P&L A/c.	22/10/2013	Yes	No
2.	Form 20B (For F.Y. 2012-13)	159	Annual Return	20/11/2013	Yes	No.
3.	Form 66 (For F.Y. 2012-13)	383A	Compliance Certificate	16/10/2013	Yes	No
4.	Form 25C	269(2)	Return of appointment of MD, Director/ whole time director or manager	31/03/2014 31/03/2014	Yes Yes	No No
5.	Form 23	192	Registration of resolution(s) and agreement(s)			
6.	Form 32	303(2)	Appointment of MD/Director	31/03/2014	Yes	No

FOR KOTHARI H. & ASSOCIATES

Company Secretaries

Hitesh Kothari
(Partner)
C. P. No. 5502

Place: Mumbai
Date: 07th May, 2014

**Report on Corporate Governance****Introduction**

Clause 49 of the Listing Agreement executed with the Stock Exchange, *inter alia*, lays out several corporate governance practices and requirements, which listed companies are required to follow. This report sets out to define the governance practices followed by the Company in compliance with the said requirement of the Listing Agreement.

1. PHILOSOPHY OF CORPORATE GOVERNANCE

The Corporate Governance philosophy of the Company is driven by the following fundamentals principles:

- Conduct the affairs of the Company in an ethical manner
- Ensure transparency in all dealings
- Ensure highest level of responsibility and accountability
- Ensure compliances of all laws and regulations

The Company, through effective dissemination of information to the Directors and active interaction of the Board Members with the senior management ensures effective oversight of the Company's businesses and activities.

2. BOARD OF DIRECTORS ("The Board")

The Board has been constituted in a manner, which results in an appropriate mix of Non-Executive and Independent Directors to ensure proper governance and management.

2.1. COMPOSITIONS OF THE BOARD

During the financial year the Board of Hind Commerce Limited consists of Four Directors with a fair representation of executive, non-executive and independent Directors. As on March 31, 2014, the Board of Directors of the Company consisted of two Promoter Directors, two Non-Executive & Independent Directors. There is no institutional nominee Director on the Board of the Company. Details of Directors retiring by rotation and their brief are provided in the notice to Annual General Meeting. The Directors are elected based on their qualifications and experience in the fields of the Company's business needs. Details are provided below.

Category	Name of Directors
Promoter / Chairman	Mr. Ujwal R. Lahoti
Promoter / Executive Director	Mr. Ujwal R. Lahoti
Non-Executive & Independent Directors	Mr. Prakash R. Bang Mr. Sanjay R. Soni

2.2. NUMBER OF BOARD MEETINGS HELD DURING THE YEAR

During the financial year 2013-14, 5 (Five) Board meetings were held on 28th May, 2013, 7th August, 2013, 22nd October, 2013, 11th February, 2014 and 14th March, 2014 with the time gap between any two consecutive meetings being not more than four months at any point of time.

2.3. DIRECTOR'S ATTENDANCE RECORD AND OTHER DIRECTORSHIPS

Refer Annexure - I for details.

2.4. INFORMATION SUPPLIED TO THE BOARD

Among others, information supplied to the board includes:

- * Quarterly results for the Company and its operating divisions;
- * Minutes of meetings of Audit Committee and other Committees;
- * Materially important show cause, demand, prosecution and penalty notices;
- * Fatal or serious accidents or dangerous occurrences;
- * Any materially relevant default in financial obligations to and by the Company or substantial;
- * Any issue which involves possible public or product liability claims of a substantial nature;
- * Details of any joint venture or collaboration agreement;
- * Sale of material nature of investments, subsidiaries, assets, which is not in normal course of business;
- * Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement; and
- * Non-compliance of any regulatory, statutory nature or listing requirements and shareholder service such as non-payment of dividend and delay in share transfer.

The Board of Hind Commerce Limited is presented with detailed notes along with the agenda papers well in advance of the meeting.



Details about Meetings of Board of Directors of Hind Commerce Limited – Annexure I

Name of Directors	Category	No. of meetings held	No. of meetings attended	Whether attended last AGM	No. of Directorship of Public Limited Companies	No. of Committee positions held in other Public Limited Companies
Mr. Umesh R. Lahoti	Executive & Non Independent Director	5	5	Yes	7	3
Mr. Ujwal R. Lahoti	Executive, Non Independent Director	5	5	Yes	6	1
Mr. Prakash Bang	Non Executive, Independent Director	5	5	Yes	4	1
Mr. Sanjay Soni	Non Executive, Independent Director	5	5	Yes	-	-

- None of the Directors held Directorships in more than 15 Public Limited Companies.
- No Director had membership of more than 10 Committees of Boards, nor is any Director is Chairman of more than 5 Committees of Boards.
- Directorships exclude Directorship in Foreign Company, Alternate Directorships, Companies registered under Section 25 of the Companies Act, 1956 and Private Companies.

2.5. DIRECTORS WITH MATERIALLY PECUNIARY OR BUSINESS RELATIONSHIP WITH THE COMPANY

There have not been materially relevant pecuniary transactions or relationship between Hind Commerce Limited and its non-executive and / or independent Directors during the year 2013-2014.

2.6 REMUNERATION OF DIRECTORS

The Company has not paid any remuneration to its Directors during the financial year.

2.7 CODE OF CONDUCT

Pursuant to the requirements of the Clause 49 of the Listing Agreement, the Board has

adopted code of Business Conduct and Ethics for the Executive Directors, Officers and Employees of the Company as well as the separate Code of Business Conduct and Ethics for Non-Executive Directors of the Company.

All the Board Members and Senior Management personnel have affirmed compliance with the Code for the financial year 2013-14 and a declaration to this effect signed by the Chairman of the Company is provided at the end of this report.

3. AUDIT COMMITTEE

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting progress with a view to ensuring accurate timely and proper disclosures and transparency, integrity and quality of financial reporting.

3.1 BRIEF DESCRIPTION OF THE TERMS OF REFERENCE

The Audit Committee of *Hind Commerce Limited* performs the following functions:

- * Overseeing of the Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible;



- * Reviewing with management the annual financial statement before submission to the Board;
- * Reviewing with the management, Statutory Auditors, the adequacy of internal control systems;
- * Reviewing the adequacy of internal audit function;
- * Discussing with internal auditors any significant finding and follow up on such issues;
- * Reviewing the findings of any internal investigations by the internal auditors in matters where there is suspected fraud or irregularity, or a failure of internal control systems of a material nature, and then reporting such matters to the Board;

- * Discussing with external auditors before the audit commences on the nature and scope of audit, as well as having post-audit discussion to ascertain any area of concern;
- * Reviewing any changes in accounting policies or practices as compared to last completed financial year and commenting on any deviation from Accounting Standards;
- * Reviewing the company's financial and risk management policies;

3.2. Composition, Name and Designation of the Committee

As on 31st March, 2014, the composition of Audit Committee has been as under:

Audit Committee

S. No.	Name of Directors	Designation	Category of Directors
1	Mr. Prakash R. Bang	Chairman	Non-Executive / Independent Director
2	Mr. Sanjay R. Soni	Member	Non-Executive / Independent Director
3	Mr. Ujwal R. Lahoti	Member	Executive Director

All the members of the Audit Committee possess Financial / Accounting expertise. The Composition of the Audit Committee meets the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

3.3 Meetings and Attendance during the year 2013-14

Audit Committee met 4 (Four) times during the year 2013-14 and the attendance record is as per the table given below:

Name of Director	Number of meetings held	Meeting attended
Mr. Prakash Bang	4	4
Mr. Ujwal Lahoti	4	4
Mr. Sanjay Soni	4	4

4. SHAREHOLDERS' / INVESTOR'S GRIEVANCES COMMITTEE

The Committee specifically looks into the transfer of shares and related matters and redressing complaints of share holders and investors such as transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends and Dematerialization of shares.

4.1. Composition of Committee

The Committee comprises of the following members:

- a) Mr. Prakash R. Bang (Independent Director),
- b) Mr. Umesh R. Lahoti (Executive Director) &
- c) Mr. Ujwal R. Lahoti (Executive Director).

4.2. Meetings of the Committee for 2013-2014

Name of Director	Number of meetings held	Meeting attended
Mr. Prakash Bang	4	4
Mr. Umesh R. Lahoti	4	4
Mr. Ujwal Lahoti	4	4

4.3. Complaints during the F.Y. 2013-2014

Table below gives the details about the nature of complaints during the year 2013-2014:

Nature of Complaints	No. of Complaints	No. of Complaints redressed
Non-receipt of Dividend	Nil	Nil
Non-receipt of credit for share sent for Demat	Nil	Nil
Non-receipt of Annual Report	Nil	Nil

There are no unsolved complaints pending.

**5. DISCLOSURES****5.1 Related Party Transaction**

The Register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large. Declarations have been received from the senior management personnel to this effect.

5.2 Statutory Compliance, Penalties and Strictures

The Company has complied with the requirements of the Stock Exchanges / Securities & Exchange Board of India (SEBI) and Statutory Authorities on all matters related to capital markets during the last three years. No penalties or strictures have been imposed on the Company by these authorities.

5.3 Disclosure of accounting treatment

The financial statements are prepared on accrual basis of accounting and in accordance with the Indian GAAP, provisions of the Companies Act, 1956 ('the Act') and comply in material aspects with the Accounting Standards notified under Section 211 (3C) of the Act read with the Companies (Accounting Standard) Rules, 2006.

5.4 Disclosure on risk management

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.

5.5 CEO / CFO Certification

The Managing Director of the Company has been certified to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO/CFO Certification for the Financial Year ended March 31, 2014.

5.6 Appointment/ Re-Appointment of Directors

The Details in respect of the Directors proposed to be re-appointed are provided in the Directors' Report.

5.7 Management Discussion and Analysis

The Management Discussion and Analysis Report forms part of the Annual Report and includes discussions on various matters specified under Clause 49 (IV)(F) of the Listing Agreement.

5.8 Reconciliation of Share Capital Audit Report

In line with the requirements stipulated by SEBI, Reconciliation of Share Capital Audit is carried out on a quarterly basis by a Practicing Company Secretary to confirm that the aggregate number of equity shares of the Company held in National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and in physical form tally with the total number of issued, paid-up, listed and admitted capital of the Company.

MEANS OF COMMUNICATION

Quarterly / annual financial results are regularly submitted to the Stock Exchanges in accordance with the listing Agreement entered into with the Stock Exchanges and published in prominent English daily news paper and in a regional language newspaper.

HIND COMMERCE LIMITED INSIDER TRADING POLICY

The Company has implemented an Insider Trading Policy to comply with the relevant Insider Trading Regulation. In accordance with the policy, the Company announces quiet period for designated employees from time to time.

The Company has a policy of observing a 'quiet period' from the last day of the end of the quarter till two trading days after the financial results are published. The Company may also announce 'quiet period' during and after the occurrence of certain events mentioned in the Insider Trading Policy.

The Company is strictly monitoring its Insider Trading Policy.

**6. GENERAL BODY MEETINGS****6.1 Date, Time and Venue for the last three Annual General Meetings held**

Financial year	Date	Time	Venue
2010-2011	30/09/2011	11.30 A.M.	At Registered office of the Company
2011-2012	27/09/2012	11.30 A.M.	At Registered office of the Company
2012-2013	28/09/2013	11.30 A.M.	At Registered office of the Company

6.2 Details of the Special Resolutions passed in the previous three AGMs

AGM	AGM Dates	Special Resolutions Passed
26 th	30 th September, 2011	Appointment of Additional Director Mr. Sanjay Rajendra Soni, Resolution passed under Section 372(A) of the Companies Act, 1956 for making Inter corporate Loan / Investment / Guarantee / Security up to ₹ 75 Crore.
27 th	27 th September, 2012	NIL
28 th	28 th September, 2013	NIL

7. ADDITIONAL SHAREHOLDER INFORMATION**7.1. Annual General Meeting**Date : 27th September, 2014 at 11.30 A.M.

Venue : 307, Arun Chambers, Tardeo Road, Mumbai – 400 034.

7.2. Postal Ballot: There are no resolutions passed during the year requiring Compliance of postal ballot procedure.**7.3. Financial Year and Calendar**a. Financial Year from 1st April to 31st March.

b. Financial Calendar 2014-15 (Tentative):

Financial Reporting for the quarter ending June 30, 2014	2 nd Week of August, 2014
Financial Reporting for the quarter ending September 30, 2014	2 nd Week of November, 2014
Financial Reporting for the quarter ending December 31, 2014	2 nd Week of February, 2015
Financial Reporting for the quarter ending March 31, 2015	2 nd Week of May, 2015

7.4. Date of Book Closure

The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 22nd September, 2014 to Saturday, 27th September, 2014 (both days inclusive) for the purpose of Annual General Meeting.

7.5 Dividend Payment Date: Not Applicable**7.6. Listing on Stock Exchange(s)**

At present the Company's Equity Shares are listed at Pune Stock Exchange, Pune and the Company has paid the Listing fees to the above exchange for the year 2014-15.

7.7. Stock Codes: N I L**7.8. Stock Data**

During the Financial year there were no trading took place in the equity shares of the Company at Pune Stock Exchange Ltd., Pune, Maharashtra.

7.9. Share Transfer Agents and Share Transfer System

Hind Commerce Limited has appointed **Sharepro Services (India) Private Limited** as Registrars and Transfer Agents (RTA) to handle the physical Share Transfer related



work and for Electronic connectivity as per the directives of SEBI. The Company's equity shares are traded in the Stock exchanges compulsorily in Demat mode. The Share Holders & Investors Grievances Committee meets periodically for dealing with matters concerning securities of the Company.

facility to avoid unnecessary mailing of certificates. Certificates duly transferred are returned to those, who opt to receive certificates in physical form. There are no legal proceedings against the Company on any share transfer matter.

For transfer of shares in physical form, the Company has introduced Transfer and Demat

7.10. SHAREHOLDING PATTERN

Table below gives the pattern of shareholding by ownership and share class respectively:

a. Categories of shareholding as on 31st March, 2014

Category	No. of shares held	Shareholding (in %)
Promoters	917600	30.59
Bodies Corporate (Group Cos.)	0	0.00
Other Bodies Corporate	1448500	48.28
NRI's	0	0.00
Banks/Financial Institutions	0	0.00
Indian Public	633900	21.13
TOTAL	3000000	100.00

b. Distribution of shareholding as at 31st March, 2014

Sr.	Category	Share Holders		Share Amount	
		Number	% to Total	(in ₹)	% to Total
	(1)	(2)	(3)	(4)	(5)
1	Upto - 5000	472	87.57	546000.00	1.82
2	5001 - 10000	—	—	---	---
3	10001 - 20000	—	—	---	---
4	20001 - 30000	3	0.56	90000.00	0.30
5	30001 - 40000	3	0.56	99000.00	0.33
6	40001 - 50000	—	—	---	---
7	50001 - 100000	4	0.74	280000.00	0.93
8	Above 100000	57	10.57	28985000.00	96.62
	Total	539	100.00	30000000.00	100.00

7.11. DEMATERIALISATION OF SHARES AND LIQUIDITY

The Company's equity shares are under compulsory Demat trading. The ISIN of the Scrip is INE691J01019. As on March 31, 2014, Dematerialized shares accounted for 51.42% of the total equity. The Company has appointed **SHAREPRO SERVICES (INDIA) PRIVATE LIMITED** as Registrars & Transfer Agents to handle the physical Share Transfer related work and for Electronic connectivity as detailed below:

SHAREPRO SERVICES (INDIA) PRIVATE LIMITED

Samhita Complex, Gala No-52 to 56, Bldg No.13 A-B, Near Sakinaka Telephone Exchange, Andheri -Kurla Road, Sakinaka, Andheri (East), Mumbai-400 072.
Tel No. +91-22-6772 0300/6772 0400,
Fax No. +91-22-2859 1568
E-mail: indira@shareproservices.com
Contact Person: Ms. Indira Karkera



7.12. OUTSTANDING GDRs / ADRs / Warrants or any Convertible Instruments : NIL

7.13. PLANT LOCATIONS : Not Applicable

7.14. DETAILS OF PUBLIC FUNDING OBTAINED IN THE LAST THREE YEARS

No capital has been raised from public in the last three years.

7.15. CORRESPONDENCE ADDRESS FOR INVESTORS

AT COMPANY

**Mr. Aveline Mendes
Compliance Officer**

Hind Commerce Limited
307, Arun Chambers, Tardeo Road,
Mumbai – 400 034.
Tel No. +91-22-4050 0100
Fax No. +91-22-4050 0150,
E-mail: investor@hindcommerce.com

AT REGISTRAR AND SHARE TRANSFER AGENT

SHAREPRO SERVICES (I) PVT. LTD.

Samhita Complex, Gala No-52 to 56,
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Contact Person: Ms. Indira Karkera

AUDITORS' COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Hind Commerce Limited

We have examined the compliance of conditions of Corporate Governance by Hind Commerce Limited for the year ended 31st March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with, in all material respect, with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to further viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For KK Khadaria & Co
Chartered Accountants
(Firm Regn No. 105013W)

Ajay Daga
Partner
M.No.44162

Place: Mumbai
Dated: 7th May, 2014

**Management Discussion and Analysis****Economy Review**

The Textiles sector comprising cotton, man-made fibers, jute, sericulture & silk, wool, a number of specially fibres and their products and Handlooms and Handicrafts, play a key role in the Indian Economy by way of significant contribution to GDP, manufacturing output, employment generation and export earnings. The Indian Textiles contributes 12% to the industrial production, 2% to the GDP at factor cost, 11% of total manufacturing exports and directly employs about 45 million people. The textile sector is the second largest producer of employment after agriculture.

India's textiles and clothing industry is one of the mainstays of the national economy. It is also one of the largest contributing sectors of India's exports worldwide. The report of the Working Group constituted by the Planning Commission on boosting India's manufacturing exports during 12th Five Year Plan (2012-17), envisages India's exports of Textiles and Clothing at USD 64.41 billion by the end of March, 2017. The textiles industry accounts for 14% of industrial production, which is 4% of GDP; employs 45 million people and accounts for nearly 11% share of the country's total exports basket.

Industry Overview

With 47 Million Spindles and 0.75 Mn Open-End Rotors, India has the world's second largest spinning capacity, commanding a share of the global Cotton Yarn market—currently producing over 4700 Mn. Kgs of spun yarn of which over 3,400 Mn. Kgs is cotton yarn. Cotton Yarn accounts for nearly 73% of total spun yarn production. Indian Spinning Industry is the most modern and efficient in the world.

India produces a comprehensive range of yarns for every conveyable end use – non-spun or open-end; combed or carded, basic, compact, mélange or fancy. India's 1943 spinning mills produce them all for requirements ranging from a fine 200 count to a coarse 2 count.

The world's most renowned Indian Cotton Yarns are available as greige, bleached, mercerized, gassed, twisted, dyed or an endless range of fashion yarns like mélange, stretch, blends, high twist and so on to meet the different applications in fashion, clothing, home textiles, hosiery and industrial fabrics. India can meet every customer requirement whether large or small, regular or customized, premium or basic.

Constant induction of state-of-the-art technologies like compact spinning, using the most advanced yarn – processing technology and high-precision process controls tools like electronic cleaners, auto

slavers, splicers, two-for-one twisters and auto-coners give Indian mills a competitive advantage.

Today, Indian yarn is widely accepted in International markets as the exporters here regularly meet the needs of importers with unmatched efficiency and economy in countries like USA, Italy, Spain, Japan, China, South Korea, Taiwan, Bangladesh, Vietnam etc.

Outlook

The Vision Statement for the textiles industry for the 11th Five Year Plan (2007-12), inter-alia, envisages India securing a 7% share in the global textiles trade by 2012.

The Indian textiles industry has enormous opportunities for domestic as well as international investors given its consistent growth performance, abundant cheap skilled manpower and growing domestic demand. With time, India has surged ahead of other countries and positioned itself as a value-added manufacturer with a varied material base, an educated and English-speaking class of executives with high product development and design orientation.

There has been considerable broadening and deepening of the Indian financial markets due to various financial market reforms undertaken by the regulators, the introduction of innovative financial instruments in recent years and the entry of sophisticated domestic and international players. Strong economic growth, favourable demographics, increased geographic penetration, growth of small and medium enterprises and the increasing needs for capital among Indian corporations are expected to continue to drive India's financial services industry.

Marketing Strategy

The Company relies on the internal as well as its relationship managers and marketing associates to ensure the growth of its business and development of new business lines by various sales tactics.

Strong Financial Position

For healthy equity capital base as well as access to large credit lines, bank facilities and commercial paper market, Hind Commerce Limited's strong financial position allows it to acquire customers and provide financing on attractive terms.

Dynamic Management Team

The Company's management team has a continued and strong focus on identifying quality growth areas that are capable of providing high returns.

**Risk Management**

The Company has in place, suitable mechanism to effectively reduce such risks. All these risks are continuously analyzed and reviewed at various levels of management thought and effective information system. The Company recognizes the importance of risk management on account of increasing competition and market volatility in the financial services business.

Internal Control System

The Company has sufficient 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.

Human Resources

The Company considers its Human Resources as one of its key valuable assets. 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.

Opportunities

- * Low retail penetration of financial services/products in India
- * Cross selling of services
- * Rising per-capita GDP
- * Young population and attractive demographic profile

Threats

- * Competition from local and multinational players
- * Execution risk
- * Regulatory changes
- * Attraction and retention of Human Capital

Cautionary Statement

Statements in this Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations maybe a 'forward looking statement' within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied. Hind Commerce Limited is not under any obligation to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events.

**ANNUAL DECLARATION BY CFO/CEO
PURSUANT TO CLAUSE 49(I) (D) (ii) OF THE
LISTING AGREEMENT**

As per the requirements of Clause 49(I)(D)(ii) of the Listing Agreement, I, Umesh R. Lahoti, Managing Director, hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Business Conduct and Ethics for the Financial Year 2013-14.

Umesh R. Lahoti
Managing Director
DIN - 00361216

Date: 7th May, 2014
Place: Mumbai

**CERTIFICATION BY THE EXECUTIVE DIRECTOR ON FINANCIAL STATEMENTS OF THE COMPANY**

I, Umesh R. Lahoti, Managing Director of Hind Commerce Limited, certify that:

- (a) I have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) There are, to the best our knowledge the belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We are responsible for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
- (i) significant changes in internal control during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Umesh R. Lahoti
Managing Director
DIN - 00361216

Place: Mumbai
Date: 7th May, 2014.

INDEPENDENT AUDITORS' REPORT**To the Members of Hind Commerce Limited****Report on the Financial Statements**

We have audited the accompanying financial statements of Hind Commerce Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and 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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular No. 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, 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 Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 the Companies Act, 1956 read with the General Circular No. 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2014 & taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For **K K KHADARIA & CO**
CHARTERED ACCOUNTANTS
(FIRM REGN. NO. 105013W)

AJAY DAGA
PARTNER

PLACE: MUMBAI
DATED: 7th May, 2014

Mem No. 44162

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph `1' of our report of even date)

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) Fixed assets have been physically verified by the Management during the year. In our opinion, the frequency of verification of fixed assets by the management is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies have been noticed in respect of the assets physically verified during the year.
 - (c) Typewriter being the only fixed assets held by the Company has been disposed off during the year and such disposal, in our opinion, has not affected the going concern status of the Company
2. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
 - (b) The procedures of verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company is maintaining proper records of inventory. No discrepancies have been noticed on reconciliation of physical inventories as compared to the book records.
3. As informed to us, the Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Therefore, requirement of clause (iii-a) to (iii-d) and (iii-e) to (iii-g) of paragraph 4 of the Order are not applicable.
4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and for sale of goods. During the course of our audit, we have not observed any major weaknesses in internal control system.



5. According to the information and explanations given to us by the management, there are no transactions that needed to be entered into the register maintained under Section 301 of the Companies Act, 1956.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits to which the provision of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 apply.
7. The Company does not have a formal system of internal audit, but there are adequate checks & controls at all level.
8. The provisions of sec. 209(1) (d) of the Companies Act, 1956 regarding maintenance of Cost records are not applicable to the Company.
9. (a) In our opinion and according to the information and explanations given to us, the Company has been regular in depositing undisputed statutory dues applicable to it.

(b) In our opinion and according to the information & explanations given to us, there are no statutory dues which have not been deposited on account of any dispute.
10. The Company does not have accumulated losses as at the end of the financial year. The Company has not incurred cash losses during the current and in the immediately preceding financial year.
11. The Company has not taken any loans from financial institution or bank or through issue of debentures. Accordingly, clause 4(xi) of the Order is not applicable.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi/mutual benefit fund/society.
14. The Company is not dealing or trading in shares, securities debentures and other investments. Therefore, provisions of clause 4(xiv) of CARO, 2003 are not applicable to the Company.
15. In our opinion, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. The Company has not raised any term loan during the year and hence clause 4(xvi) of the Order is not applicable.
17. According to the information and explanations given to us and on an overall examination of balance sheet & cash flow statement of the Company, we report that the Company has not raised any funds on short-term basis.
18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
19. The Company did not have any outstanding debentures during the year.
20. The Company has not raised any money by way of public issues during the year.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

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

**Place : Mumbai
Dated : 7th May, 2014**

**Ajay Daga
Partner
Mem. No: 044162**

**BALANCE SHEET AS AT 31st MARCH, 2014**

	Note	As At 31.03.2014 Amt (₹)	As At 31.03.2013 Amt (₹)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	30,000,000	30,000,000
Reserves and Surplus	3	38,258,483	35,642,210
		<u>68,258,483</u>	<u>65,642,210</u>
Non-Current Liabilities			
Deferred Tax Liabilities (Net)	4	NIL	960
		<u>NIL</u>	<u>960</u>
Current Liabilities			
Other Current Liabilities	5	237,859	1,453,248
Short-term Provisions	6	467,108	NIL
		<u>704,967</u>	<u>1,453,248</u>
TOTAL		<u>68,963,450</u>	<u>67,096,418</u>
ASSETS			
Non-current assets			
Fixed Assets			
-Tangible Assets	7	NIL	4,167
Non-Current Investments	8	52,368,281	64,637,879
Long-term Loans and Advances	9	413,598	472,863
		<u>52,781,878</u>	<u>65,114,909</u>
Current assets			
Trade Receivables	10	502,970	NIL
Cash and Bank Balances	11	330,721	571,387
Short-term Loans and Advances	12	15,347,881	1,405,123
Other Current Assets	13	NIL	5,000
		<u>16,181,572</u>	<u>1,981,509</u>
TOTAL		<u>68,963,450</u>	<u>67,096,418</u>
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		For and on behalf of the board	
AJAY DAGA Partner Mem. No. 044162		Ujwal Lahoti Director DIN - 00360785	Umesh Lahoti Managing Director DIN - 00361216
Place : Mumbai Dated : 7 th May, 2014			

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014**

	Note	Year ended 31.03.2014 Amt (₹)	Year ended 31.03.2013 Amt (₹)
Revenue			
Revenue from operations	14	3,800,221	6,425,511
Other Income	15	4,292,428	308,853
Total Revenue		8,092,649	67,34,364
Expenses			
Purchase of stock in trade	16	3,738,118	5,129,338
Employee benefits expenses	17	570,079	495,452
Financial costs	18	30,762	NIL
Depreciation	7	NIL	1,473
Other expenses	19	376,816	560,740
Total Expenses		4,715,775	6,187,003
Profit before tax		3,376,874	547,361
Tax expense:			
- Current tax		761,561	285,321
- Deferred Tax	4	(960)	(398)
- MAT Credit Entitlement of earlier year		NIL	(2,442)
Profit for the year		2,616,273	264,880
Earnings per equity share of face value of ₹10/-each	22		
Basic and Diluted (₹)		0.87	0.09

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

For and on behalf of the board

AJAY DAGA
 Partner
 Mem. No. 044162

Ujwal Lahoti **Umesh Lahoti**
 Director Managing Director
 DIN - 00360785 DIN - 00361216

Place : Mumbai
 Dated : 7th May, 2014

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014**

	Year ended 31.03.2014 Amt (₹)	Year ended 31.03.2013 Amt (₹)
A. CASH FLOW FROM OPERATING ACTIVITIES :		
a) Net Profit before tax	3,376,874	5,47,361
<u>Adjustment For</u>		
Depreciation	NIL	1,473
(Profit)/Loss on sale of Investments	(684,595)	2,082,592
(Profit)/Loss on Sale of Fixed Assets	3,167	NIL
Interest Received	(2,681,538)	(443,721)
Dividend Received	(890,499)	(1,791,101)
Interest Expense	30,762	NIL
b) OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(845,829)	396,604
ADJUSTMENTS FOR:		
Long-Term Loans and Advances	NIL	(46,458)
Short -Term Loans and Advances	(13,942,758)	753,850
Other Current Assets	5,000	(5,000)
Sundry Debtors	(502,970)	NIL
Other Current Liabilities	(1,215,389)	(137,130)
CASH GENERATED FROM OPERATIONS	(16,501,946)	961,866
Direct Tax (Paid)/refund	(265,951)	NIL
NET CASH FROM OPERATING ACTIVITIES	(16,767,897)	961,866
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Sale proceeds from Tangible Assets	1,000	NIL
Sale/(Purchase) of Investments	12,954,194	(3,090,902)
Interest Received	2,681,538	443,721
Dividend Received	890,499	1,791,101
NET CASH USED IN INVESTING ACTIVITIES	16,527,231	(856,080)
C. CASH FLOW FROM FINANCING ACTIVITIES		
NET CASH FROM FINANCING ACTIVITIES	NIL	NIL
NET INCREASE IN CASH AND CASH EQUIVALENTS	(240,666)	105,786
CASH AND CASH EQUIVALENTS (At the beginning of the year)	571,387	465,601
CASH AND CASH EQUIVALENTS (At the end of the year)	330,721	571,387

- 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.
- 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
Mem. No. 044162

Place : Mumbai
Dated : 7th May, 2014

For and on behalf of the board

Ujwal Lahoti **Umesh Lahoti**
Director Managing Director
DIN - 00360785 DIN - 00361216

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH ,2014****(1) Summary of Significant Accounting Policies :-**

- a. The financial statements are prepared on accrual basis of accounting with the generally accepted accounting principles in India., provisions of the Companies Act, 1956 (the Act) and comply in material aspects with the accounting standards notified under Section 211(3C) of the Act, read with Companies (Accounting Standards) Rules, 2006. Accounting Policies not referred to otherwise are consistent with Generally Accepted Accounting Principles and are consistent with those used in the previous year.
- b. Fixed Assets are stated at cost less depreciation. The Company capitalises all cost relating to acquisition and installation of Fixed Assets.
- c. Depreciation has been provided on pro-rata basis on straight-line method at the rates & on the basis specified in Schedule XIV to the Companies Act, 1956.
- d. 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.
- e. Loans & Advances are stated after making adequate provision for doubtful advances.
- f. Leave encashment benefit accrued as per Company's Rules are charged to the Statement of Profit & Loss.
- g. 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.
- h. Sales is accounted net of Sales Tax/VAT.
- i. Export sales are accounted for on the basis of the date of bill of lading/airways bill.
- j. Export benefit available under the Export Import policy of the Government of India are accounted for in the year of export, to the extent measurable.
- k. 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'.
- l. 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.
- m. Future/Option transactions
Initial and additional margin paid over and above initial margin for entering into contracts for Equity Index/Stock Futures/Currency Futures/ Commodities Stock Futures and or Equity Index/Stock Options/Currency Options, which are released on final settlement/squaring-up of underlying contracts are disclosed under "Other current assets". Mark-to-market margin-Equity Index/Stock Futures/ Currency Futures/Commodities Stock Futures representing the amount paid in respect of mark to market is disclosed under "Other current assets".

"Equity Index/Stock Option /Currency Option Premium Account" represents premium paid or received for buying or selling the Options, respectively.

On final settlement or squaring up of contracts for Equity Index/Stock Futures/Currency Future / Commodities Stock Futures, the realized profit or loss after adjusting the unrealized loss already

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH ,2014**

	As At 31.03.2014 Amt (₹)	As At 31.03.2013 Amt (₹)
<p>accounted, if any, is recognized in the Statement of Profit and Loss. On settlement or squaring up of Equity Index / Stock Options/Currency Option, before expiry, the premium prevailing in "Equity Index/Stock Option/Currency Option Premium Account" on that date is recognized in the Statement of Profit and Loss.</p> <p>As at the Balance Sheet date, the Mark to Market/Unrealised Profit/(Loss) on all outstanding future/options portfolio comprising of Securities and Equity/Currency/Commodities Derivatives positions is determined on scrip basis with net unrealized losses on scrip basis being recognized in the Statement of Profit and Loss and the net unrealized gains on scrip basis are ignored.</p>		
(2) Share Capital		
Authorised :		
11000000 (P.Y. 11000000) Equity Shares of ₹ 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 ₹ 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 one class of equity shares having a par value of Rs.10/- per share. Each holder of equity share is entitled to same right based on the number of shares held.		
c. Shares in the Company held by each shareholders holding more than 5% shares		
No. of Shareholders each holding more than 5% of the Share Capital	No. of Shares Held Percentage of holding	No. of Shares Held Percentage of holding
Three shareholders (P.Y. Three shareholders)	10,75,000 35.83%	10,75,000 35.83%
(3) Reserves & Surplus		
a. Securities Premium Reserve (Opening & Closing Balance)	1,000	1,000
b. Surplus in Statement of Profit and Loss		
Opening Balance	35,641,210	35,376,330
Add: Net Profit for the current year	<u>2,616,273</u>	<u>264,880</u>
Closing Balance	<u>38,257,483</u>	<u>35,641,210</u>
	<u>38,258,483</u>	<u>35,642,210</u>
(4) Deferred Tax Liabilities		
Major components of Deferred Tax Liability arising on account of temporary timing differences are given below:		
Deferred Tax Liabilities		
Difference between Book & Tax Depreciation	NIL	960
Deferred Tax Assets		
Difference between Book & Tax Depreciation	NIL	NIL
Deferred Tax Liabilities (Net)	<u>NIL</u>	<u>960</u>
As there is no virtual certainty of future taxable income against which deferred tax asset on account of carried forward losses can be realized, the same is not recognized.		

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH ,2014**

	As At 31.03.2014 Amt (₹)	As At 31.03.2013 Amt (₹)
(5) Other Current Liabilities		
Statutory Dues	10,376	11,118
Salary & bonus Payable	85,200	73,568
Other Payables*	142,283	1,368,562
	<u>237,859</u>	<u>1,453,248</u>

* Based on information so far available with the Company, there are no dues payable to MSME as defined in the Micro, Small and Medium Enterprises Development Act, 2006.

(6) Short-term Provisions		
Provision for Tax (net of TDS , MAT credit, etc.)	467,108	NIL
	<u>467,108</u>	<u>NIL</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(7) Tangible Fixed Assets

Description	GROSS BLOCK		AS AT 31/03/14	DEPRECIATION FOR THE YEAR	AS AT 31/03/14	NET BLOCK	
	AS AT 01/04/13	ADDITIONS				DEDUCTIONS	AS AT 31/03/14
Electronic Type Writer	31,000	NIL	NIL	NIL	NIL	NIL	4,167
Total	31,000	NIL	NIL	NIL	NIL	NIL	4,167
Previous Year	31,000	NIL	31,000	1,473	26,833	4,167	5,640



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

			As At 31.03.2014 Amt (₹)	As At 31.03.2013 Amt (₹)
(8) Non-Current Investments				
<u>Non Trade Investments</u>				
A. Quoted				
Investment in Equity Instruments				
707500	(707500)	Eq. Sh of ₹ 2/- each of Lahoti Overseas Ltd.	3,113,000	3,113,000
2300	(2300)	Eq. Sh. of ₹ 5/- each of Bharti Airtel Ltd.	971,728	971,728
100	(100)	Eq. Sh. of ₹ 10/- each of Damodar Industries Ltd.	3,935	3,935
1500	(1500)	Eq. Sh. of ₹ 1/- each of Godrej Industries Ltd.	666,824	666,824
1675	(1675)	Eq. Sh. of ₹ 2/- each of HDFC Ltd.	981,436	981,436
800	(800)	Eq. Sh. of ₹ 10/- each of ICICI Bank Ltd.	726,468	726,468
1000	(1000)	Eq. Sh. of ₹ 10/- each of Indus Fila Ltd.	239,500	239,500
5875	(5875)	Eq. Sh. of ₹ 2/- each of Jai Prakash Associates Ltd.	1,053,409	1,053,409
120	(120)	Eq. Sh. of ₹ 10/- each of Century Enka Ltd.	20,724	20,724
3600	(2400)	Eq. Sh. of ₹ 1/- each of Emami Ltd.	84,000	84,000
400	(400)	Eq. Sh. of ₹ 10/- each of Emami Infrastructure Ltd.	0.01	0.01
2000	(2000)	Eq. Sh. of ₹ 1/- each of FCS Software Solutions Ltd.	5,000	5,000
106	(106)	Eq. Sh. of ₹ 10/- each of Jet Airways(India) Ltd.	104,161	104,161
5	(5)	Eq. Sh. of ₹ 1/- each of Provogue India Ltd.	150	150
4560	(4560)	Eq. Sh. of ₹ 10/- each of Praj Industries Ltd.	643,921	643,921
132	(132)	Eq. Sh. of ₹ 10/- each of Punjab National Bank Ltd.	51,480	51,480
121	(121)	Eq. Sh. of ₹. 10/- each of Sasken Communication Tech.Ltd.	60,656	60,656
990	(990)	Eq. Sh. of ₹ 10/- each of SBI Ltd.	1,946,067	1,946,067
1600	(1600)	Eq. Sh. of ₹ 10/- each of Union Bank of India Ltd.	25,600	25,600
750	(750)	Eq. Sh. of ₹ 10/- each of K.P.R.Mill Ltd.	168,750	168,750
1935	(1290)	Eq. Sh. of ₹ 2/- each of Larsen & Toubro Ltd.	2,437,320	2,437,320
370	(370)	Eq. Sh. of ₹ 2/- each of Adani Ports and Special Eco. Zone Ltd	32,560	32,560
100	(100)	Eq. Sh. of ₹ 5/- each of Nagreeka Exports Ltd	2,205	2,205
2500	(2500)	Eq. Sh. of ₹ 10/- each of Power Grid Corp Ltd.	390,683	390,683
1240	(1240)	Eq. Sh. of ₹ 10/- each of Reliance Industries Ltd.	1,481,152	1,481,152
30000	(30000)	Eq. Sh. of ₹ 5/- each of Saamaya Biotech (India) Ltd.	312,011	312,011
1500	(1500)	Eq. Sh. of ₹ 5/- each of Sarda Energy & Minerals Ltd.	208,275	208,275
300	(300)	Eq. Sh. of ₹ 10/- each of SBT International Ltd	0.01	0.01
5	(5)	Eq. Sh. of ₹ 2/- each of Prozone Capital Shopping Centres Ltd.	0.01	0.01
49	(49)	Eq. Sh. of ₹ 5/- each of Vishal Retail Ltd.	13,230	13,230
			15,744,245	15,744,245
B. Unquoted				
a) Investment in Equity Instruments				
Investment in Subsidiary				
5000	(50000)	Eq. Sh. of ₹ 10/- each of Crystal Tradecom Limited	5,00,000	5,00,000
Investments in other companies				
24000	(24000)	Eq. Sh. of ₹ 100/- each of Kirti Stock Brokers Pvt Ltd.	2,400,000	2,400,000
32500	(32500)	Eq. Sh of ₹ 10/- each of Asthvinayak Textile Trading (P) Ltd.	325,000	325,000
92500	(92500)	Eq. Sh of ₹ 10/- each of Bhalchandaram Clothing (P) Ltd.	925,000	925,000



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

			As At 31.03.2014 Amt (₹)	As At 31.03.2013 Amt (₹)
35000	(35000)	Eq. Sh of ₹ 10/- each of Jamvant Textiles (P) Ltd.	350,000	350,000
32500	(32500)	Eq. Sh of ₹ 10/- each of Janaksuta Textile & Yarn (P) Ltd.	325,000	325,000
22500	(22500)	Eq. Sh of ₹ 10/- each of Mansadevi Textile & Yarn Suppliers (P) Ltd.	225,000	225,000
32500	(32500)	Eq. Sh of ₹ 10/- each of Mast Mast Textile Trading (P) Ltd.	325,000	325,000
22500	(22500)	Eq. Sh of ₹ 10/- each of Pawansoot Textiles (P) Ltd.	225,000	225,000
32500	(32500)	Eq. Sh of ₹ 10/- each of Shakambri Fabrics (P) Ltd.	325,000	325,000
92500	(92500)	Eq. Sh of ₹ 10/- each of Step by Step Exports (P) Ltd.	925,000	925,000
25000	(25000)	Eq. Sh. of ₹ 10/- each of Sanghi Spinners India Ltd.	750,000	750,000
			7,100,000	7,100,000
b) Investment in Debentures				
70	(70)	Debentures of ₹ 30/- each of Rajashree Poly	2,100	2,100
10	(10)	Debentures of ₹ 100000/- each of RBS Financial Services (India) Pvt. Ltd.	1,011,030	1,011,030
			1,013,130	1,013,130
c) Investment in units of Mutual Funds				
NIL	(4907)	HDFC Top 200 Fund - Growth (CITI)	NIL	1,000,000
994846	(NIL)	HDFC Cash Management Fund T.A.P.-Retail-Growth (Prudent)	27,010,906	NIL
NIL	(743165)	HDFC Cash Management Fund T.A.P.-Retail-W.D.reinvest (Prudent)	NIL	7,459,200
NIL	(1585163)	HDFC Cash Management Fund T.A.P.-Retail-W.D.reinvest (Barclays)	NIL	1,585,243
NIL	(134722)	ICICI Prudential Short term plan - Dividend reinvest	NIL	1,604,213
NIL	(105898)	IDFC SSIF -Short Term Plan A - Fortnightly Dividend Reinvest	NIL	1,084,157
NIL	(19073)	Pramerica Ultra Short Term Bond fund Weekly Dividend Reinvest	NIL	19,097,691
NIL	(50000)	SBI Infrastructure Fund I Dividend	NIL	500,000
NIL	(26326)	TATA Infrastructure Fund- Dividend	NIL	600,000
NIL	(100000)	BNP Paribas Fixed Term Fund-Series23 C (G)	NIL	1,000,000
NIL	(5424)	HDFC Equity Fund - Growth	NIL	1,450,000
NIL	(41446)	IDFC Premium Equity Fund Growth	NIL	1,400,000
NIL	(250000)	Reliance Fixed Horizon Fund XXI Series 18 - Growth	NIL	2,500,000
100000	(100000)	TATA Fixed Maturity Plan Series 39 Scheme J - Growth	1,000,000	1,000,000
			28,010,906	40,280,504
Total Non Current Investments			52,368,281	64,637,879
Aggregate book value of quoted investments			15,744,245	15,744,245
Market value of quoted investments			18,552,890	15,741,020
Aggregate book value of unquoted investments			36,624,036	48,893,634

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH ,2014**

	As At 31.03.2014 Amt (₹)	As At 31.03.2013 Amt (₹)
(9) Long-Term Loans & Advances (Unsecured, considered good)		
Security Deposits #	351,210	351,210
Deposit with sales tax authorities	25,000	25,000
Other Loans & Advances		
-- Advance Income Tax (Net of Provisions)	37,388	37,388
-- MAT credit entitlement	NIL	59,265
	<u>413,598</u>	<u>472,863</u>
# Deposit include ₹ 3.5 Lacs (Previous Year ₹ 3.5 Lacs) being interest free security deposit, for Office Premises, to a company in which some of the Directors are interested.		
(10) Trade Receivables (Unsecured, considered good)		
Outstanding for a period less than six months from the date they are due for payment	502,970	NIL
	<u>502,970</u>	<u>NIL</u>
(11) Cash & Bank Balances		
Cash & Cash Equivalents		
--Cash on Hand	1,188	258
--Balance with Banks in Current Accounts	329,533	571,129
	<u>330,721</u>	<u>571,387</u>
(12) Short-term Loans & Advances (Unsecured, considered good)		
Loans and advances to employees	140,973	175,973
Other loans & advances	15,206,908	1,229,150
	<u>15,347,881</u>	<u>1,405,123</u>
(13) Other Current Assets		
Advances recoverable in cash or in kind or for value to be received	NIL	5,000
	<u>NIL</u>	<u>5,000</u>
(14) Revenue From Operations		
<u>Sales of Products</u>		
-Export Sales of Cotton Yarn	3,800,221	2,774,871
-Local Sales of Fabric	NIL	2,414,074
<u>Other Operating Revenue</u>		
-Profit from Commodity Derivatives Transactions	NIL	1,236,566
	<u>3,800,221</u>	<u>6,425,511</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH ,2014

	As At 31.03.2014 Amt (₹)	As At 31.03.2013 Amt (₹)
(15) Other Income		
Profit/(Loss) on sale of Investments		
- Current	434,292	836
- Non-current	250,304	(2,083,429)
Dividend Income		
- Current	403,460	1,619,758
- Non-current	487,039	171,343
Interest on Loan	2,681,538	443,721
Duty Draw Back	NIL	84,325
Foreign exchange fluctuation	38,963	72,298
Gain/(Loss) on Sale of Fixed Assets (net)	(3,167)	NIL
	4,292,428	308,853
(16) Purchases of Stock-in-Trade		
Cotton Yarns	3,738,118	2,757,888
Fabrics	NIL	2,371,450
	3,738,118	5,129,338
(17) Employee benefits expenses		
Salary, bonus etc.	570,079	495,452
	570,079	495,452
Financial Costs		
Interest on deferment of advance tax	30,762	NIL
	30,762	NIL
(19) Other Expenses		
Ocean Freight	33,546	169,238
Road Transportation	54,000	90,216
Clearing & Forwarding Charges	3,933	2,247
Shipment Charges	NIL	13,000
Shares/Units Transaction Charges	30,954	31,273
Securities Transaction Tax	55	5,202
Listing Fees	11,236	11,200
Custodial Fees	13,482	13,483
Profession Tax	2,500	2,500
Auditors' Remuneration		
- For Audit	22,472	22,472
- For Tax Audit	NIL	11,236
- For Income Tax Matters	11,236	11,236
- For Other Matters	22,472	22,472
Advertisement Exps	98,350	81,366
Conveyance Exp.	15,420	8,895
Filing Fees	2,000	2,000
Legal & Professional Fees	37,090	50,075
Office & General Exp.	710	7,125
Bank Charges	8,126	4,433
Printing & Stationery	245	1,071
Membership & Subscription	8,989	NIL
	376,816	560,740

**NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH ,2014****(20) Segment Reporting**

The Company is engaged solely in trading 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.

(21) Related Party Disclosures**i. List of Related Parties with whom transaction have taken place & Relationship.**

<u>Name of the Related Party</u>	<u>Relationship</u>
a. P.S. Ware Information Pvt. Ltd.	Enterprises over which Key Management Personnel are able to exercise significant influence
b. Lahoti Overseas Ltd.	Enterprises over which Key Management Personnel are able to exercise significant influence
c. Crystal Tradecom Limited	Subsidiary

ii. Transaction with Related Parties during the year :-

	2013-14	2012-13
	Amt (₹)	Amt (₹)
Enterprise over which Key Management personnel are able to exercise significant influence		
Sales of Goods	NIL	24,14,074

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

	As At	As At
	31.03.2014	31.03.2013
	Amt (₹)	Amt (₹)
a. Enterprises over which Key Management personnel are able to exercise significant influence :		
Deposits Given	3,50,000	3,50,000
Investments	31,13,000	31,13,000
b. Subsidiary		
Investments	5,00,000	5,00,000

(22) Earnings Per Share (EPS)

	2013-2014	2012-2013
i) Weighted Average Number of Equity Shares outstanding during the year	30,00,000	30,00,000
ii) Net Profit after tax available for Equity Shareholders (₹)	26,16,273	26,48,80
iii) Basic and Diluted Earnings Per Share (₹)	0.87	0.09
iv) Nominal Value Per Share (₹)	10	10

The Company does not have any outstanding dilutive potential equity shares.

(23) Earnings in Foreign Currency

	2013-2014	2012-2013
	Amt. (₹)	Amt. (₹)
FOB Value of Exports	38,00,221	27,74,871

As per our report of even date
For K K KHADARIA & CO
CHARTERED ACCOUNTANTS

AJAY DAGA
Partner
Mem. No. 044162

Place : Mumbai
Dated : 7th May, 2014

For and on behalf of the board

Ujwal Lahoti **Umesh Lahoti**
Director Managing Director
DIN - 00360785 DIN - 00361216

**STATEMENT PURSUANT TO SEC 212(1)(e) OF THE COMPANIES ACT, 1956**

1. Name of Subsidiary Company	Crystal Tradecom Limited
2. The financial year of the subsidiary company ended on	31 st March, 2014
3. Date from which they became Subsidiary Companies	19 th November, 2011
4. Extent of holding company's interest in the subsidiary company at the end of the financial year.	50,000 Equity Shares of ₹ 10/- each representing 100% in paid up capital
5. i. The net aggregate amount of Profit/(Loss) of the subsidiary for the above financial year of the subsidiary, so far as it concerns, the members of holding company.	
a. Dealt with in the Company's accounts for the year ended 31 st March, 2014.	NIL
b. Not dealt with in the Company's accounts for the year ended 31 st March, 2014.	Loss of ₹ 1144/-
ii. The net aggregate amount of the Profit/(Loss) fo the subsidiary for the previous financial years of the subsidiary since it became a subsidiary.	
a. Dealt with in the Company's accounts for the year ended 31 st March, 2014.	NIL
b. Not dealt with in the Company's accounts for the year ended 31 st March, 2014.	Loss of ₹ 27320/-
6. Material changes between the end of the financial year of the Subsidiary Company as the case may be and 31 st March, 2014	
(a) Fixed Assets	N.A.
(b) Investment	N.A.
(c) Moneys lent by Subsidiary Company	N.A.
(d) Moneys borrowed by Subsidiary Company other than for meeting current liabilities	N.A.

For and behalf of the board

Ujwal Lahoti Director DIN - 00360785	Umesh Lahoti Managing Director DIN - 00361216
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INDEPENDENT AUDITORS' REPORT**TO THE MEMBERS OF HIND COMMERCE LIMITED**

We have audited the attached consolidated financial statements of HIND COMMERCE LIMITED (the "Company") and its subsidiary (collectively referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular No. 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are

appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- (b) in the case of the consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matters

We did not audit the financial statements of subsidiary company Crystal Tradecom Limited, for the year ended on that date as considered in the consolidated financial statements. These financial statements and other financial information have been audited by other auditors whose report have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

For **K K KHADARIA & CO**
CHARTERED ACCOUNTANTS
(FIRM REGN. NO. 105013W)

AJAY DAGA
PARTNER
Mem No. 44162

PLACE: MUMBAI
DATED: 7th May, 2014



CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2014

	Note	As At 31.03.2014 Amt (₹)	As At 31.03.2013 Amt (₹)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	30,000,000	30,000,000
Reserves and Surplus	3	38,230,018	35,614,890
		<u>68,230,018</u>	<u>65,614,890</u>
Non-Current Liabilities			
Deferred Tax Liabilities (Net)	4	NIL	960
		<u>NIL</u>	<u>960</u>
Current Liabilities			
Short-term Borrowings	5	1,000,000	1,000,000
Other current liabilities	6	244,601	1,459,990
Short-term Provisions	7	467,108	NIL
		<u>1,711,709</u>	<u>2,459,990</u>
TOTAL		<u><u>69,941,727</u></u>	<u><u>68,075,840</u></u>
ASSETS			
Non-current assets			
Fixed assets			
-Tangible assets	8	NIL	4,167
Non-current investments	9	52,868,281	65,137,879
Long-term loans and advances	10	413,598	472,863
		<u>53,281,878</u>	<u>65,614,909</u>
Current assets			
Current investments	11	440,000	436,442
Trade Receivables	12	502,970	NIL
Cash and Bank Balances	13	368,998	614,367
Short-term loans and advances	14	15,347,881	1,405,123
Other current assets	15	NIL	5,000
		<u>16,659,849</u>	<u>2,460,931</u>
TOTAL		<u><u>69,941,727</u></u>	<u><u>68,075,840</u></u>

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
 Mem.No. 044162

Place : Mumbai
 Dated : 7th May, 2014

For and on behalf of the board

Ujwal Lahoti **Umesh Lahoti**
 Director Managing Director
 DIN - 00360785 DIN - 00361216



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

	Note	Year ended 31.03.2014 Amt (₹)	Year ended 31.03.2013 Amt (₹)
Revenue			
Revenue from operations	16	3,800,221	6,425,511
Other Income	17	4,299,572	339,726
Total Revenue		8,099,793	6,765,237
Expenses			
Cost of sales	18	3,738,118	5,129,338
Employee benefits expenses	19	570,079	495,452
Financial costs	20	30,762	NIL
Depreciation	8	NIL	1,473
Other expenses	21	385,105	568,747
Total Expenses		4,724,064	6,195,010
Profit before tax		3,375,729	570,227
Tax expense:			
- Current tax		761,561	285,321
- Deferred Tax	4	(960)	(398)
- MAT Credit Entitlement of earlier year		NIL	(2,442)
Profit for the year		2,615,128	287,746
Earnings per equity share of face value of ₹ 10/-each	24		
Basic and Diluted (₹)		0.87	0.10

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
Mem.No. 044162

Place : Mumbai
Dated : 7th May, 2014

For and on behalf of the board

Ujwal Lahoti **Umesh Lahoti**
Director Managing Director
DIN - 00360785 DIN - 00361216

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

	Year ended 31.03.2014 Amt (₹)	Year ended 31.03.2013 Amt (₹)
A. CASH FLOW FROM OPERATING ACTIVITIES :		
a) Net Profit/ (Loss) before tax	3,375,729	570,227
<u>Adjustment For</u>		
Depreciation	NIL	1,473
(Profit)/Loss on sale of Investment	(6,84,525)	2,08,2593
(Profit)/Loss on Sale of Fixed Assets	3,167	NIL
Interest Received	(26,81,538)	(4,43,721)
Dividend Received	(897,713)	(1819,166)
Interest Expense	30,762	NIL
b) OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(854,118)	391,406
ADJUSTMENTS FOR:		
Long Term Loans and Advances	NIL	(46,458)
Short Term Loans and Advances	(13,942,758)	7,53,850
Other current assets	5,000	(5,000)
Trade Receivabale	(502,970)	NIL
Other current liabilities	(1,215,389)	(138,815)
CASH GENERATED FROM OPERATIONS	(16,510,235)	954,983
Direct Tax (Paid)/refund	(265951)	NIL
NET CASH FROM OPERATING ACTIVITIES	(16,776,186)	954,983
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Sale proceeds from Tangible Assets	1,000	NIL
Sale/(Purchase) of Investment		
-Others	12,950,566	(31,18,967)
Interest Received	2,681,538	443,721
Dividend Received	897,713	1,819,166
NET CASH USED IN INVESTING ACTIVITIES	16,530,816	(856080)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Short-term borrowings	NIL	NIL
NET CASH FROM FINANCING ACTIVITIES	NIL	NIL
NET INCREASE IN CASH AND CASH EQUIVALENTS	(245,369)	98,903
CASH AND CASH EQUIVALENTS (At the Beginning of the year)	614,367	515,464
CASH AND CASH EQUIVALENTS (At the end of the year)	368,998	614,367
<p>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.</p> <p>2. Previous Year's figure have been regrouped, rearranged, wherever necessary, to correspond with the current year's classification/disclosure.</p>		

As per our report of even date
For K K KHADARIA & CO
 CHARTERED ACCOUNTANTS

AJAY DAGA
 Partner
 Mem.No. 044162

Place : Mumbai
 Dated : 7th May, 2014

For and on behalf of the board

Ujwal Lahoti **Umesh Lahoti**
 Director Managing Director
 DIN - 00360785 DIN - 00361216

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH ,2014****(1) Summary of Significant Accounting Policies :-**

a. The Consolidated accounts have been prepared to comply in all material aspects with applicable accounting principles in India and the applicable Accounting Standards notified under Section 211(3C) of the Companies Act, 1956, in particular Accounting Standard-21 (AS 21)-'Consolidated Financial Statements.

b. The details of Subsidiary is as under:

Name of the Subsidiary	Country of Origin	% Shareholding of the group (31st March, 2014)	%Shareholding of the group (31st March, 2013)
Crystal Tradecom Limited	India	100%	100%

c. Fixed Assets are stated at cost less depreciation. The Company capitalises all cost relating to acquisition and installation of Fixed Assets.

d. Depreciation has been provided on pro-rata basis on straight-line method at the rates & on the basis specified in Schedule XIV to the Companies Act, 1956.

e. 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.

f. Loans & Advances are stated after making adequate provision for doubtful advances.

g. Leave encashment benefit accrued as per Company's Rules are charged to the Statement of Profit & Loss .

h. 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.

i. Sales is exclusive of Sales Tax/VAT.

j. Export sales are accounted for on the basis of the date of bill of lading/airways bill.

k. Export benefit available under the Export Import policy of the Government of India are accounted for in the year of export, to the extent measurable.

l. 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'.

m. 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.

n. Future/Option transactions

Initial and additional margin paid over and above initial margin for entering into contracts for Equity Index/Stock Futures/Currency Futures/ Commodities Stock Futures and or Equity Index/Stock Options/Currency Options, which are released on final settlement/squaring-up of underlying contracts are disclosed under "Other current assets". Mark-to-market margin-Equity Index/Stock Futures/ Currency Futures/Commodities Stock Futures representing the amount paid in respect of mark to market is disclosed under "Other current assets".

"Equity Index/Stock Option /Currency Option Premium Account" represents premium paid or received for buying or selling the Options, respectively.

On final settlement or squaring up of contracts for Equity Index/Stock Futures/Currency Future/Commodities Stock Futures, the realized profit or loss after adjusting the unrealized loss already accounted, if any, is recognized in the Statement of Profit and Loss. On settlement or squaring up of Equity Index/Stock Options/Currency Option, before expiry, the premium prevailing in "Equity Index/Stock Option/Currency Option Premium Account" on that date is recognized in the Statement of Profit and Loss.

As at the Balance Sheet date, the Mark to Market/Unrealised Profit/(Loss) on all outstanding future/options portfolio comprising of Securities and Equity/Currency/Commodities Derivatives positions is determined on scrip basis with net unrealized losses on scrip basis being recognized in the Statement of Profit and Loss and the net unrealized gains on scrip basis are ignored.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

	As At 31.03.2014 Amt (₹)	As At 31.03.2013 Amt (₹)
(2) Share Capital		
Authorised :		
11000000 (P.Y. 11000000) Equity Shares of ₹ 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 ₹ 10/- each fully paid-up	30,000,000	30,000,000
	<u>30,000,000</u>	<u>30,000,000</u>
<p>a. The number of shares and amount outstanding at the beginning and at the end of the reporting year is same.</p> <p>b. The Company has one class of equity shares having a par value of ₹10/- per share. Each holder of equity share is entitled to same right based on the number of shares held.</p> <p>c. Shares in the Company held by each shareholders holding more than 5% shares</p>		
No. of Shareholders each holding more than 5% of the Share Capital	No. of Shares Held Percentage of holding	No. of Shares Held Percentage of holding
Three shareholders (P.Y. Three shareholders)	1075000 35.83%	1075000 35.83%
(3) Reserves & Surplus		
a. Securities Premium Reserve (Opening & Closing Balance)	1,000	1,000
b. Surplus in Statement of Profit and Loss		
Opening Balance	35,613,890	35,326,143
Add: Net Profit for the current year	2,615,129	287,747
Closing Balance	<u>38,229,018</u>	<u>35,613,890</u>
	<u>38,230,018</u>	<u>35,614,890</u>
(4) Deferred Tax Liabilities		
Major components of Deferred Tax Liability arising on account of temporary timing differences are given below:		
Deferred Tax Liabilities		
Difference between Book & Tax Depreciation	NIL	960
Deferred Tax Assets	NIL	NIL
Deferred Tax Liabilities (Net)	<u>NIL</u>	<u>960</u>
As there is no virtual certainty of future taxable income against which deferred tax asset on account of carried forward losses can be realized, the same is not recognized.		
(5) Short-term Borrowings		
-Unsecured		
Loans from Related Parties	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

	As At 31.03.2014 Amt (₹)	As At 31.03.2013 Amt (₹)
(6) Other Current Liabilities		
Statutory Dues	10,376	11,118
Salary & bonus Payable	85,200	73,568
Other Payables*	149,025	1,375,304
	<u>244,601</u>	<u>1,459,990</u>

*Based on information so far available with the Company, there are no dues payable to MSME as defined in the Micro, Small and Medium Enterprises Development Act, 2006.

(7) Short-term Provisions

Provision for Tax (net of TDS, MAT credit, etc.)	467,108	NIL
	<u>467,108</u>	<u>NIL</u>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(8) Tangible Fixed Assets

Description	GROSS BLOCK		DEPRECIATION			NET BLOCK	
	AS AT 01/04/13	AS AT 31/03/14	AS AT 01/04/13	FOR THE YEAR	AS AT 31/03/14	AS AT 31/03/14	AS AT 31/03/13
Electronic Type Writer	31,000	31,000	26,833	NIL	26,833	NIL	4,167
Total	31,000	31,000	26,833	NIL	26,833	NIL	4,167
Previous Year	31,000	31,000	25,360	1,473	NIL	4,167	5,640



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

			As At 31.03.2014 Amt (₹)	As At 31.03.2013 Amt (₹)
(9) Non-Current Investments				
<u>Non Trade Investments</u>				
A. Quoted				
Investment in Equity Instruments				
707500	(707500)	Eq. Sh of ₹ 2/- each of Lahoti Overseas Ltd.	3,113,000	3,113,000
2300	(2300)	Eq. Sh. of ₹ 5/- each of Bharti Airtel Ltd.	971,728	971,728
100	(100)	Eq. Sh. of ₹ 10/- each of Damodar Industries Ltd.	3,935	3,935
1500	(1500)	Eq. Sh. of ₹ 1/- each of Godrej Industries Ltd.	666,824	666,824
1675	(1675)	Eq. Sh. of ₹ 2/- each of HDFC Ltd.	981,436	981,436
800	(800)	Eq. Sh. of ₹ 10/- each of ICICI Bank Ltd.	726,468	726,468
1000	(1000)	Eq. Sh. of ₹ 10/- each of Indus Fila Ltd.	239,500	239,500
5875	(5875)	Eq. Sh. of ₹ 2/- each of Jai Prakash Associates Ltd.	1,053,409	1,053,409
120	(120)	Eq. Sh. of ₹ 10/- each of Century Enka Ltd.	20,724	20,724
3600	(2400)	Eq. Sh. of ₹ 1/- each of Emami Ltd.	84,000	84,000
400	(400)	Eq. Sh. of ₹ 10/- each of Emami Infrastructure Ltd.	0.01	0.01
2000	(2000)	Eq. Sh. of ₹ 1/- each of FCS Software Solutions Ltd.	5,000	5,000
106	(106)	Eq. Sh. of ₹ 10/- each of Jet Airways(India) Ltd.	104,161	104,161
5	(5)	Eq. Sh. of ₹ 1/- each of Provogue India Ltd.	150	150
4560	(4560)	Eq. Sh. of ₹ 10/- each of Praj Industries Ltd.	643,921	643,921
132	(132)	Eq. Sh. of ₹ 10/- each of Punjab National Bank Ltd.	51,480	51,480
121	(121)	Eq. Sh. of ₹ 10/- each of Saska Communication Tech.Ltd.	60,656	60,656
990	(990)	Eq. Sh. of ₹ 10/- each of SBI Ltd.	1,946,067	1,946,067
1600	(1600)	Eq. Sh. of ₹ 10/- each of Union Bank of India Ltd.	25,600	25,600
750	(750)	Eq. Sh. of ₹ 10/- each of K.P.R.Mill Ltd.	168,750	168,750
1935	(1290)	Eq. Sh. of ₹ 2/- each of Larsen & Toubro Ltd.	2,437,320	2,437,320
370	(370)	Eq. Sh. of ₹ 2/- each of Adani Ports and Special Eco. Zone Ltd	32,560	32,560
100	(100)	Eq. Sh. of ₹ 5/- each of Nagreeka Exports Ltd	2,205	2,205
2500	(2500)	Eq. Sh. of ₹ 10/- each of Power Grid Corp Ltd.	390,683	390,683
1240	(1240)	Eq. Sh. of ₹ 10/- each of Reliance Industries Ltd.	1,481,152	1,481,152
30000	(30000)	Eq. Sh. of ₹ 5/- each of Saamaya Biotech (India) Ltd.	312,011	312,011
1500	(1500)	Eq. Sh. of ₹ 5/- each of Sarda Energy & Minerals Ltd.	208,275	208,275
300	(300)	Eq. Sh. of ₹ 10/- each of SBT International Ltd	0.01	0.01
5	(5)	Eq. Sh. of ₹ 2/- each of Prozone Capital Shopping Centres Ltd.	0.01	0.01
49	(49)	Eq. Sh. of ₹ 5/- each of Vishal Retail Ltd.	13,230	13,230
			15,744,245	15,744,245
B. Unquoted				
a) Investment in Equity Instruments				
Investments in other companies				
24000	(24000)	Eq. Sh. of ₹ 100/- each of Kirti Stock Brokers Pvt Ltd.	2,400,000	2,400,000
32500	(32500)	Eq. Sh of ₹ 10/- each of Asthvinayak Textile Trading (P) Ltd.	325,000	325,000
92500	(92500)	Eq. Sh of ₹ 10/- each of Bhalchandaram Clothing (P) Ltd.	925,000	925,000
35000	(35000)	Eq. Sh of ₹ 10/- each of Jamvant Textiles (P) Ltd.	350,000	350,000
32500	(32500)	Eq. Sh of ₹ 10/- each of Janaksuta Textile & Yarn (P) Ltd.	325,000	325,000
22500	(22500)	Eq. Sh of ₹ 10/- each of Mansadevi Textile & Yarn Suppliers (P) Ltd.	225,000	225,000



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

			As At 31.03.2014 Amt (₹)	As At 31.03.2013 Amt (₹)
32500	(32500)	Eq. Sh of ₹ 10/- each of Mast Mast Textile Trading (P) Ltd.	325,000	325,000
22500	(22500)	Eq. Sh of ₹ 10/- each of Pawansoot Textiles (P) Ltd.	225,000	225,000
32500	(32500)	Eq. Sh of ₹ 10/- each of Shakambri Fabrics (P) Ltd.	325,000	325,000
92500	(92500)	Eq. Sh of ₹ 10/- each of Step by Step Exports (P) Ltd.	925,000	925,000
25000	(25000)	Eq. Sh. of ₹ 10/- each of Sanghi Spinners India Ltd.	750,000	750,000
75000	(75000)	Eq. Sh. of ₹ 10/- each of Dreamland Textile Suppliers Pvt. Ltd.	750,000	750,000
25000	(25000)	Eq. Sh. of ₹ 10/- each of Sparkle Fabrics Pvt. Ltd.	250,000	250,000
			8,100,000	8,100,000
b) Investment in Debentures				
70	(70)	Debentures of ₹ 30/- each of Rajashree Poly	2,100	2,100
10	(10)	Debentures of ₹ 100000/- each of RBS Financial Services (India) Pvt. Ltd.	1,011,030	1,011,030
			1,013,130	1,013,130
c) Investment in units of Mutual Funds				
NIL	(4907)	HDFC Top 200 Fund - Growth (CITI)	NIL	1,000,000
994846	(NIL)	HDFC Cash Management Fund T.A.P.-Retail-Growth (Prudent)	27,010,906	NIL
NIL	(743165)	HDFC Cash Management Fund T.A.P.-Retail-W.D.reinvest (Prudent)	NIL	7,459,200
NIL	(1585163)	HDFC Cash Management Fund T.A.P.-Retail-W.D.reinvest (Barclays)	NIL	1,585,243
NIL	(134722)	ICICI Prudential Short term plan - Dividend reinvest	NIL	1,604,213
NIL	(105898)	IDFC SSIF -Short Term Plan A - Fortnightly Dividend Reinvest	NIL	1,084,157
NIL	(19073)	Pramerica Ultra Short Term Bond fund Weekly Dividend Reinvest	NIL	19,097,691
NIL	(50000)	SBI Infrastructure Fund I Dividend	NIL	500,000
NIL	(26326)	TATA Infrastructure Fund- Dividend	NIL	600,000
NIL	(100000)	BNP Paribas Fixed Term Fund-Series23 C (G)	NIL	1,000,000
NIL	(5424)	HDFC Equity Fund - Growth	NIL	1,450,000
NIL	(41446)	IDFC Premium Equity Fund Growth	NIL	1,400,000
NIL	(250000)	Reliance Fixed Horizon Fund XXI Series 18 - Growth	NIL	2,500,000
100000	(100000)	TATA Fixed Maturity Plan Series 39 Scheme J - Growth	1,000,000	1,000,000
			28,010,906	40,280,504
Total Non Current Investments			52,868,281	65,137,879
Aggregate book value of quoted investments			15,744,245	15,744,245
Market value of quoted investments			18,552,890	15,741,020
Aggregate book value of unquoted investments			37,124,036	49,393,634

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

	Year Ended 31.03.2014 Amt (₹)	Year Ended 31.03.2013 Amt (₹)
(10) Long-Term Loans & Advances		
(Unsecured, considered good)		
Security Deposits #	351,210	351,210
Deposit with sales tax	25,000	25,000
Other Loans & Advances		
-- Advance Income Tax (Net of Provisions)	37,388	37,388
-- MAT credit entitlement	NIL	59,265
	<u>413,598</u>	<u>472,863</u>
 # Deposit include ₹ 3.5 Lacs (Previous Year ₹ 3.5 Lacs) being interest free security deposit, for Office Premises, to a company in which some of the Directors are interested.		
(11) Current Investments		
Unquoted		
Investment in units of Mutual Funds		
NIL (436) units of Pramercia Ultra Short-term Bond Fund	NIL	436,442
Weekly Dividend Reinvestment		
3083 (NIL) units of Birla Sunlife Floating Rate Fund - Long-term Plan Growth	440,000	NIL
	<u>440,000</u>	<u>436,442</u>
(12) Trade Receivables		
(Unsecured, considered good)		
Outstanding for a period less than six months from the date they are due for payment	502,970	NIL
	<u>502,970</u>	<u>NIL</u>
(13) Cash & Bank balances		
Cash & Cash Equivalents		
--Cash on Hand	1,188	258
--Balance with Banks in Current Accounts	367,810	614,109
--Cheques on hand	NIL	NIL
	<u>368,998</u>	<u>614,367</u>
(14) Short-term Loans & Advances		
(Unsecured, considered good)		
Loans and advances to employees	140,973	175,973
Other loans & advances	15,206,908	1,229,150
	<u>15,347,881</u>	<u>1,405,123</u>
(15) Other Current Assets		
Advances recoverable in cash or in kind or for value to be received	NIL	5,000
	<u>NIL</u>	<u>5,000</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

	Year Ended 31.03.2014 Amt (₹)	Year Ended 31.03.2013 Amt (₹)
(16) Revenue From Operations		
Sales of Product		
-Export Sales of Cotton Yarn	3,800,221	2,774,871
-Local Sales of Fabric	NIL	2,414,074
Other Operating Revenue		
-Profit from Commodity Derivatives Transactions	NIL	1,236,566
	<u>3,800,221</u>	<u>6,425,511</u>
(17) Other Income		
Profit/(Loss) on sale of Investments		
- Current	434,013	836
- Non-current	250,512	(2,083,429)
Dividend Income		
- Current	410,674	1,619,758
- Non-current	487,039	199,408
Interest on Loan	2,681,538	443,721
Duty Draw Back	NIL	84,325
Foreign exchange fluctuation	38,963	72,298
Sundry Balance Wback	(3,167)	2,809
	<u>4,299,572</u>	<u>339,726</u>
(18) Purchases of Stock-in-Trade		
Cotton Yarns	3,738,118	2,757,888
Fabrics	NIL	2,371,450
	<u>3,738,118</u>	<u>5,129,338</u>
(19) Employee benefits expenses		
Salary, bonus etc.	570,079	495,452
	<u>570,079</u>	<u>495,452</u>
(20) Financial Costs		
Interest on deferment of advance tax	30,762	NIL
	<u>30,762</u>	<u>NIL</u>
(21) Other Expenses		
Ocean Freight	33,546	169,238
Road Transportation	54,000	90,216
Clearing & Forwarding charges	3,933	2,247
Shipment Charges	NIL	13,000
Shares/Units Transaction Charges	30,954	31,273
Securities Transaction Tax	55	5,202
Listing Fees	11,236	11,200
Custodial Fees	13,482	13,483
Profession Tax	2,500	2,500
Appeal Fees	NIL	NIL
Auditors' Remuneration		
- For Audit	29,214	29,214
- For Tax Audit	NIL	11,236

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

	Year Ended 31.03.2014 Amt (₹)	Year Ended 31.03.2013 Amt (₹)
- For Income Tax Matters	11,236	11,236
- For Other Matters	22,472	22,472
Advertisement Exps	98,350	81,366
Conveyance Exp.	15,420	8,895
Filing Fees	3,500	3,200
Legal & Professional Fees	37,090	50,075
Office & General Exp.	710	7,125
Bank Charges	8,173	4,498
Printing & Stationery	245	1,071
Preliminary Expenses Written Off	8989	NIL
	385,105	568,747

(22) Segment Reporting

The Company is engaged solely in trading 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.

(23) Related Party Disclosures**i. List of Related Parties with whom transaction have taken place & Relationship.**

<u>Name of the Related Party</u>	<u>Relationship</u>
a. Lahoti Overseas Ltd.	Enterprises over which Key Management Personnel are able to exercise significant influence
b. P.S. Ware Information Pvt. Ltd.	Enterprises over which Key Management Personnel are able to exercise significant influence
c. Mr. Umesh Lahoti	Key Managerial Person
d. Mr. Ujwal Lahoti	Key Managerial Person
e. Mr. Aadhiya Lahoti	Key Managerial Person, Crystal Tradecom Limited
f. Mr. Saurabh Lahoti	Key Managerial Person, Crystal Tradecom Limited

ii. Transaction with Related Parties during the year :-

	2013-14 Amt (₹)	2012-13 Amt (₹)
Enterprise over which Key Management personnel are able to exercise significant influence		
Sales of Goods	NIL	2414074

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

	As At 31.03.2014 Amt(₹)	As At 31.03.2013 Amt(₹)
a. Enterprises over which Key Management personnel are able to exercise significant influence :		
Deposits Given	350,000	350,000
Investments	31,13,000	31,13,000
b. Key Managerial Persons		
Short-term Borrowings	10,00,000	10,00,000

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

(24) Earnings Per Share (EPS)	2013-2014	2012-2013
i) Weighted Average Number of Equity Shares outstanding during the year	30,00,000	30,00,000
ii) Net Profit after tax available for Equity Shareholders (₹.) 26,15,128	2,87,746	
iii) Basic and Diluted Earnings Per Share (₹)	0.87	0.10
iv) Nominal Value Per Share (₹)	10	10

The Company does not have any outstanding dilutive potential equity shares.

(25) Earnings in Foreign Currency	2013-2014 Amt(₹)	2012-2013 Amt.(₹)
FOB Value of Exports	38,00,221	27,74,871

(26) Information of Subsidiaries in terms of Section 212(8) of the Companies Act,1956

The Company has given these particulars pursuant to letter No.-51/12/2007-CL-III dated February 8, 2011 issued by the Department of Company Affairs.

	Crystal Tradecom Limited
Capital	500,000
Reserves	(28,465)
Total Assets	1,478,277
Total Liabilities	1,478,277
Investments	1,440,000
Turnover	NIL
Profit/ (Loss) before Taxation	(1,144)
Provision for Taxation	NIL
Profit/ (Loss) after Taxation	(1,144)
Proposed Dividend	NIL

(27) 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

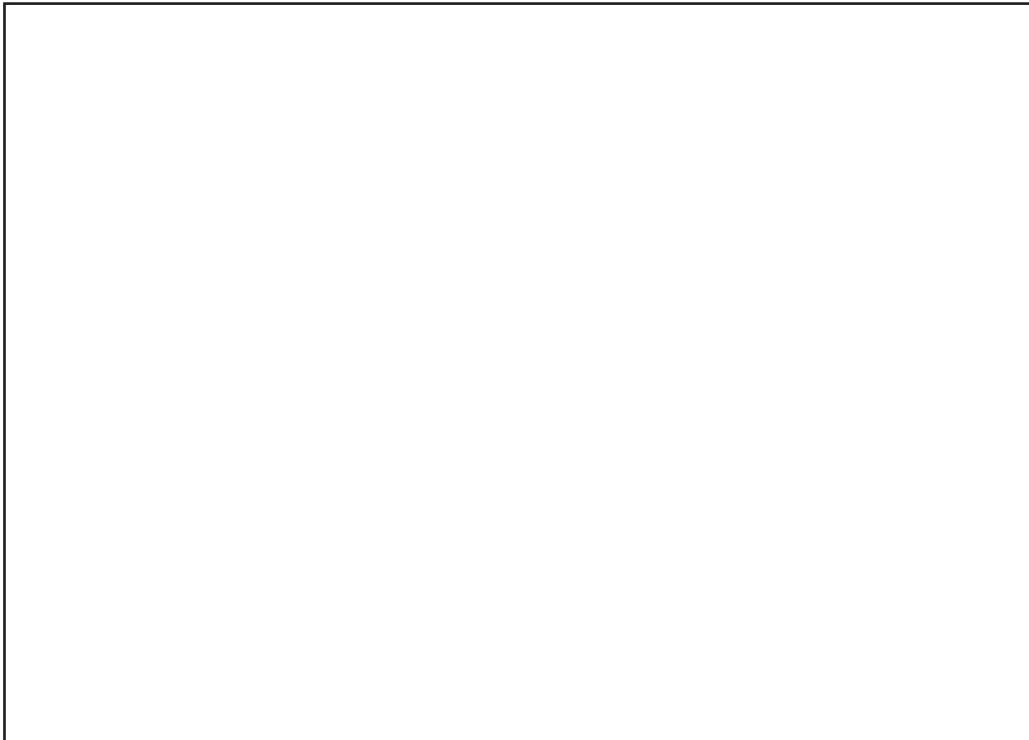
AJAY DAGA
Partner
Mem.No. 044162

Place : Mumbai
Dated : 7th May, 2014

For and on behalf of the board

Ujwal Lahoti **Umesh Lahoti**
Director Managing Director
DIN - 00360785 DIN - 00361216

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