



# Hind Commerce Limited

Annual Report 2017-18

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# Hind Commerce Limited

## Corporate Information

### BOARD OF DIRECTORS

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

### COMPANY SECRETARY and COMPLIANCE OFFICER

Ms. Pragati Sawant

### CHIEF FINANCIAL OFFICER

Mr. Rajesh Bangera

### STATUTORY AUDITORS

S.S. Rathi & Co.,  
502. Shree Shivdutta Apartment,  
Near Lalit Restaurant, Station Road,  
Goregaon (W). Mumbai-400062.

### BANKERS

Punjab National Bank  
Axis Bank Limited  
ICICI Bank  
IDBI Bank  
Citibank N.A.  
Oriental Bank of Commerce

### REGISTERED OFFICE

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

### REGISTRARS & SHARE TRANSFER AGENTS

#### **LINK INTIME INDIA PRIVATE LIMITED**

C 101, 247 Park  
L B S Marg, Vikhroli West  
Mumbai - 400 083  
Tel No.: +91-22-49186000 | Fax No.:+91-22-49186060.  
E-mail: [mnt.helpdesk@linkintime.com](mailto:mnt.helpdesk@linkintime.com) | Web: [www.linkintime.co.in](http://www.linkintime.co.in)  
**Corporate Identity Number (CIN): L51900MH1984PLC085440**



# Hind Commerce Limited

## Directors' Report

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

The Directors take pleasure in presenting the 33<sup>rd</sup> Annual Report along with Audited Financial Statements of your Company for the Financial Year ended 31<sup>st</sup> March, 2018.

### **Financial Highlights**

The financial performance of the Company, for the year ended 31<sup>st</sup> March, 2018 is summarized below:

(in Rs. Lakhs)

Particulars	Standalone For the Financial Year Ended	
	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
Revenue		
Revenue from Operations	5,339,236	39,469,275
Other Income	5,719,332	5,892,476
<b>Total Revenue</b>	<b>11,058,568</b>	<b>45,361,751</b>
Less: Total Expenditure	6,748,388	40,468,739
Profit before, Depreciation and Tax	<b>4,310,179</b>	<b>4,893,013</b>
Less: Depreciation	-	-
Profit before Tax	<b>4,310,179</b>	<b>4,893,013</b>
Less: Tax Provision (Current, Deferred, FBT and Earlier Year adjustment)	616,772	456,718
Profit/(Loss) after Tax (PAT)	<b>3,693,408</b>	<b>4,436,294</b>

### **Results of Operations**

During the year under review your Company has reported a total income of Rs. 110.59 Lakhs as compared to Rs. 453.62 Lakhs for previous years as reported in the Standalone Financials.

### **Dividend**

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

### **Transfer to Reserves**

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



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## **Nature of Business and Changes therein**

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

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

## **Management Discussion and Analysis Report**

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

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

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

## **Associate and Subsidiary Companies**

As on 31<sup>st</sup> March, 2018, the Company has no Subsidiary Company or Associate Company.

## **Deposit**

During the year under review, your Company did not accept any deposits in terms of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014. Therefore the requirement for furnishing of details of deposits which are not in compliance with the Chapter V of the Companies Act, 2013 is not applicable.

## **Particulars of Contracts or Arrangements with Related Parties**

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

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



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

## **Particulars of Loans, Guarantees and Investments**

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

## **Board of Directors and Key Managerial Personal**

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

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

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

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

### **1. Re-appointments**

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

The Independent Directors of the Company viz. Mr. Prakash R Bang and Mr. Sanjay R Soni were appointed as Independent Directors of the Company at the Annual General Meeting of the Company held on September 27, 2014 to hold office for a term of 5 (five) consecutive years up to March 31, 2019, in line with the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 ( 'Act' ) including the rules made thereunder and the erstwhile Listing Agreement.

It is proposed that these Independent Directors be reappointed for a second term of 5 (five) consecutive years to hold office up to March 31, 2024.



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Accordingly, necessary resolutions are being placed for approval of the members at the 33rd AGM of the Company.

## **Appointment and Resignation of Key Managerial Personnel**

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

## **Declaration by Independent Directors**

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

## **Committees of Board**

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

### **1. Audit Committee**

The Audit Committee comprises of the following members:

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

The Chairman of the Committee is Mr. Prakash R. Bang and Mr. Ujwal R. Lahoti and Mr. Sanjay R. Soni are the members. The Committee held 5 (Five) meetings during the year. All the members of the Committee are Non-executive Directors. All the members are financially literate and have accounting / related financial management expertise.

The Role, function, responsibility and constitution of the Audit Committee is in accordance to the provisions of Section 177 of the Companies Act, 2013 and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



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

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending to the Board of Directors, the appointment, re-appointment, terms of appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing with the management the annual financial statements before submission to the Board of Directors for approval, with particular reference to:
  - Matters required to be included in the director's responsibility statement to be included in the Board of Directors' report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions;
  - Qualifications in the draft audit report;
- Reviewing with the management the quarterly financial statements before submission to the Board of Directors for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.





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- Reviewing with the management the performance of statutory and internal auditors and the adequacy of internal control systems
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board of Directors;
- Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as have post-audit discussion to ascertain any area of concern
- To look into the reasons for substantial defaults in payments to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the whistle blowing mechanism;
- Approval of appointment of the chief financial officer (i.e. the whole time finance director or any other person heading the finance function or discharging that function) after assessing, amongst others, the qualifications, experience and background of the candidate;
- Review & monitor the auditor's independence and performance and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans & investments;
- Valuation of undertakings or assets of the company;
- Evaluation of internal financial controls and risk management systems;
- Examination of the financial statement and the auditor's report thereon;
- Monitoring the end use of funds raised through public offers and related matters;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.



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- To investigate any activity within its terms of reference;
- To have full access to information contained in the records of the Company;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

## 2. Stakeholder's Relationship Committee

<b>Name of the Director</b>	<b>Designation in the Committee</b>
Ms. Meghna V Panchal (Independent Director)	Chairperson
Mr. Umesh R. Lahoti (Managing Director)	Member
Mr. Ujwal R. Lahoti (Non-Executive Director)	Member

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

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

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



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### 3. Nomination and Remuneration Committee

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

In Compliance with Section 178 of the Companies Act, 2013 and as specified in the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board constituted the Nomination and Remuneration Committee comprising of Three (3) Non-Executive Independent Directors of the Company with the following role and function:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies.
- To formulate criteria for evaluation and carry out evaluation of the performance of Directors, as well as Key Managerial, Independent Directors and Senior Management Personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To ensure no violation, by an employee of any applicable laws in India or overseas, including:
  - i. The Securities and Exchange Board of India (Insider Trading) Regulations, 1992; or
  - ii. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995.
- To formulate detailed terms and conditions of employee stock option schemes including details pertaining to quantum of options to be granted, conditions for lapsing of vested options, exercise period, adjustments for corporate actions and procedure for cashless exercise and perform such other functions as are required to be performed by the Remuneration Committee under the Securities and Exchange Board of India (Employee



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Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended (“ESOP Guidelines”), in particular, those stated in Clause 5 of the ESOP Guidelines; as and when required.

- To devise a policy on Board diversity.
- To Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- To develop a succession plan for the Board and to regularly review the plan

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

Briefly the formulated policy comprises of the following:

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

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

## **Companies Policy on Director’s Appointment and Remuneration**

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

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



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

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

## Annual Evaluation of the Board

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

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

The Board of Directors expressed their satisfaction.

## Number of Meetings of the Board of Directors

The Board meets at least once in each quarter inter alia to review the quarterly results. In addition the Board also meets whenever necessary. The Board periodically reviews compliance reports of all laws applicable to the Company.

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

Sr. No.	Date of Meetings	Venue and time of the meeting	Directors present	Directors to whom Leave of absence was granted
1.	30/05/2017	Venue: Registered office - 307, Arun Chambers, Tardeo Road, Mumbai –	1. Mr. Ujwal R Lahoti 2. Mr. Umesh R Lahoti 3. Mr. Sanjay R Soni	-



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		400034 Time: 05.00.p.m.	4. Mr. Prakash R Bang 5. Ms. Meghna V Panchal	
2.	16/08/2017	Venue: Registered office - 307, Arun Chambers, Tardeo Road, Mumbai – 400034 Time: 05.45.p.m.	1. Mr. Ujwal R Lahoti 2. Mr. Umesh R Lahoti 3. Mr. Sanjay R Soni 4. Mr. Prakash R Bang 5. Ms. Meghna V Panchal	-
3.	14/09/2017	Venue: Registered office - 307, Arun Chambers, Tardeo Road, Mumbai – 400034 Time: 02.30.p.m.	1. Mr. Ujwal R Lahoti 2. Mr. Umesh R Lahoti 3. Mr. Prakash R Bang 4. Ms. Meghna V Panchal	Mr. Sanjay R Soni
4.	14/12/2017	Venue: Registered office - 307, Arun Chambers, Tardeo Road, Mumbai – 400034 Time: 03.30.p.m.	1. Mr. Ujwal R Lahoti 2. Mr. Umesh R Lahoti 3. Mr. Sanjay R Soni 4. Ms. Meghna V Panchal	Mr. Prakash R Bang
5.	05/02/2018	Venue: Registered office - 307, Arun Chambers, Tardeo Road, Mumbai – 400034 Time: 12.30.p.m.	1. Mr. Ujwal R Lahoti 2. Mr. Umesh R Lahoti 3. Mr. Sanjay R Soni 4. Mr. Prakash R Bang 5. Ms. Meghna V Panchal	-

## Vigil Mechanism/Whistle Blower

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

## Directors' Responsibility Statement

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

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

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair



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view of the state of affairs of the company at the end of the financial year and of the profit and loss of the Company for that period;

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

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

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

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

## **Auditors and Auditors' Report**

In accordance with Section 139(1) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, S.S. Rathi and Co., Chartered Accountants, Mumbai (Registration No. No.108726W) Statutory Auditors of the Company hold office upto the end conclusion of the 37th Annual General Meeting of the Company. However, their appointment as Statutory Auditors of the Company is subject to ratification by the Members at every Annual General Meeting. The Company has received a certificate from the said Auditors that they are eligible to hold office as the Auditors of the Company and are not disqualified for being so appointed.

Accordingly, the resolutions seeking ratification of appointment of Auditor form part of Notice convening the 33rd Annual General Meeting. The Reports of the Statutory Auditors, S.S. Rathi and Co., Chartered Accountants on the standalone and consolidated financial statements of the Company for the year 2018 form part of this Annual Report. The statutory auditors have submitted a unmodified opinion on the audit of financial statements for the year 2018 and there is no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

## **Secretarial Auditor**

Your Company has appointed Kothari H. & Associates, a firm of Practicing Company Secretaries as a Secretarial Auditor of the Company, according to the provision of Section 204 of the Companies, Act 2013 for conducting secretarial audit of Company for the financial year 2017-18.

The report in respect of the Secretarial Audit carried out by Kothari H. & associates Company Secretaries in Form MR-3 for the FY 2017-18 forms part to this report as **Annexure 2**. The said report does not contain any adverse observation or qualification requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.



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## **Equity Shares with Differential Rights.**

The Company has not issued any equity shares with differential rights / sweat equity shares/ employee stock options or not made any provision of its own shares by employees or by trustees for the benefit of employees during the financial year 2017-2018.

The Company has not made any purchase or provision of its own shares by employees or by trustees for the benefit of employees during the financial year 2017-2018.

## **Listing**

During the year under review, the Company's Equity Shares were listed at BSE Limited and the Company has paid Listing Fees to the above Stock Exchanges for the year 2018-19.

## **Disclosure of Remuneration paid to Director and Key managerial personal**

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

## **Significant and Material Orders**

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

## **Internal Financial Control**

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

## **Indian Accounting Standards (IND AS):**

Company has adopted Indian Accounting Standards ('Ind AS') from April 01, 2017 with a transition date of April 01, 2016. The financial results for the year 2017-18 have been prepared in accordance with Ind AS, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other recognized accounting practices and policies to the extent applicable. The Financial Results for all the periods of 2017-18 presented have been prepared in accordance with Ind AS. The Company has adopted "IND AS" for the first time with effect from April 01, 2017, with the comparatives for the periods ending March 31, 2017.





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## **Risk Management**

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

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

## **Extracts of Annual Return**

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

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

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

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

During the period under review the Company has earned Foreign Exchange of **Rs. 51.86 Lakhs** and did not incur the Foreign Exchange outgo.

## **Secretarial Standards**

The Company complies with all the Secretarial Standards.



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## Report on Corporate Governance

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

## Prevention of Sexual Harassment of Women at Workplace:

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

## Acknowledgement

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

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

**For and on behalf of the Board**

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

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

Place: Mumbai  
Date: 14<sup>th</sup> August, 2018



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## ANNEXURES TO BOARD'S REPORT

### Annexure -1

#### **Form AOC-1**

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

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

#### **Part "A": Subsidiaries**

(in Rs.)

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

Details of New Subsidiary/ Joint ventures/Associate Companies.

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

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

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

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



# Hind Commerce Limited

## Annexure -2

### FORM NO. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST March, 2018

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

To,  
The Members,  
**Hind Commerce Limited**

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2018 ('Audit period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Hind Commerce Limited for the financial year ended on 31<sup>st</sup> March, 2018 according to the provisions of:
  - i. The Companies Act, 2013 (the Act) and the rules made thereunder;
  - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;



# Hind Commerce Limited

- v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. :-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the company during the Audit Period)**
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **( Not applicable to the company during the Audit Period)**
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the company during the Audit Period)**
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the company during the Audit Period)** and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the company during the Audit Period)**
  - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
2. We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other Acts, Laws and Regulations as applicable specifically to the company.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the



# Hind Commerce Limited

Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

## **We further report that**

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

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

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

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

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

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

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

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

Place: Mumbai  
Date: 14<sup>th</sup> August, 2018

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



# Hind Commerce Limited

## Annexure- A

To,  
The Members,  
Hind Commerce Limited.

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

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

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

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

Place: Mumbai  
Date: 14<sup>th</sup> August, 2018



# Hind Commerce Limited

## Annexure -3

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

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-2018, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-2018 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2017-2018 (Rs. in Lakhs)	% increase in Remuneration in the Financial year 2017-2018	Ratio of Remuneration of each Director/to median remuneration of employees	Comparison of the Remuneration of KMP/Director against the performance of the Company
1.	Mr. Rajesh Bangera – Chief Financial Officer	3.84	5%	Refer Note 2	The Company has earned a net profit of Rs. 36.93 Lakhs as compared to net profit of Rs.44.36 Lakhs incurred in the previous year .
2.	Ms. Pragati Sawant – Company Secretary	1.44	NIL	Refer Note 2	

#### **Note:**

1. No Director received any remuneration or sitting fees for the financial year 2017-2018.
2. During the year under review, Mr. Rajesh Bangera & Ms. Pragati Sawant has been the only two salaried personnel of the Company, hence the concept of Median Remuneration and analysis of average increase in remuneration to performance does not apply.
3. The performance of the Company has been consistent over the years and the increase in remuneration of Mr. Rajesh Bangera as presented in the above table has been based on his performance and other growth inflation factors.
4. It is hereby affirmed that the remuneration paid during the year under review is as per the Remuneration policy of the Company.

Place: Mumbai

Date: 14<sup>th</sup> August, 2018

**For and on behalf of the Board**

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

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





# Hind Commerce Limited

## Annexure -4

### FORM MGT-9

#### EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2018

PURSUANT TO SECTION 92(3) OF THE COMPANIES ACT, 2013 READ WITH  
RULE 12(1) OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION)  
RULES, 2014

#### I. REGISTRATION AND OTHER DETAILS

I	CIN:-	L51900MH1984PLC085440
ii	Registration Date –	09 <sup>th</sup> October,1984
iii	Name of the Company -	Hind Commerce Limited
Iv	Category / Sub-Category of the Company	Merchant Exporters
V	Address of the Registered office and contact details	307, Arun chambers, Tardeo Road, Mumbai – 400034 Ph: 022-40500100 Fax: 022-40500150 Website: <a href="http://www.hindcommerce.com">www.hindcommerce.com</a> email: <a href="mailto:investor@hindcommerce.com">investor@hindcommerce.com</a>
vi	Whether listed company	Yes
vi i	Name, Address and Contact details of Registrar and Transfer Agent, if any	LINK INTIME INDIA PRIVATE LIMITED C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083 Tel No : +91 22 49186270 Fax: +91 22 49186060 E-mail id : <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> Website : <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>

#### II. PRINCIPLE BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	100% Cotton Yarn	46411	99%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
	NIL	-	-	-	-



# Hind Commerce Limited

## IV. A. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2017)				No. of Shares held at the end of the year (31.03.2018)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	917500	100	917600	30.59	917500	100	917600	30.59	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (1):-</b>	917500	100	917600	30.59	917500	100	917600	30.59	
<b>(2) Foreign</b>									
a) NRIs Individuals	0	0	0	0	0	0	0	0	0
b) Other-Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	917500	100	917600	30.59	917500	100	917600	30.59	0
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0



# Hind Commerce Limited

g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2. Non- Institutions</b>									
a) Bodies Corp.									
i) Indian	1456000	0	1456000	48.53	1456000	0	1456000	48.53	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	101400	101400	3.38	0	101400	101400	3.38	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	75000	450000	525000	17.50	75000	450000	525000	17.50	0
c)Others (specify)	0	0	0	0	0	0	0	0	0
i) Non-Residence (Non- repatriable)	0	0	0	0	0	0	0	0	0
ii) Non-Residence (Repatriable)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	<b>1531000</b>	<b>551400</b>	<b>2082400</b>	<b>69.41</b>	<b>1531000</b>	<b>551400</b>	<b>2082400</b>	<b>69.41</b>	<b>0</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>1531000</b>	<b>551400</b>	<b>2082400</b>	<b>69.41</b>	<b>1531000</b>	<b>551400</b>	<b>2082400</b>	<b>69.41</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>2448500</b>	<b>551500</b>	<b>3000000</b>	<b>100</b>	<b>2448500</b>	<b>551500</b>	<b>3000000</b>	<b>100</b>	<b>0</b>



# Hind Commerce Limited

## B. SHARE HOLDING PATTERN OF PROMOTERS

Sr No	Shareholders Name	Shareholding at the beginning of the year (01.04.2017)			Shareholding at the end of the year (31.03.2018)			% change in share holding during the year
		No of Shares	% of total shares of company	% of Shares Pledged / encumbered to total shares	No of Shares	% of total shares of company	% of Shares Pledged / encumbered to total shares	
1	Ujwal R Lahoti	325100	10.84	0	425100	14.17	0	3.33
2	Umesh R Lahoti	250000	8.33	0	250000	8.33	0	0
3	Jayashri U Lahoti	100000	3.33	0	100000	3.33	0	0
4	Manjushri Umesh Lahoti	100000	3.33	0	100000	3.33	0	0
5	Rukmini R Lahoti	100000	3.33	0	0	0.00	0	-3.33
6	R K Lahoti (HUF)	42500	1.42	0	42500	1.42	0	0
	<b>Total</b>	<b>917600</b>	<b>30.59</b>	<b>0</b>	<b>917600</b>	<b>30.59</b>	<b>0</b>	<b>0</b>

## C. CHANGE IN PROMOTERS SHAREHOLDING

Sr. No.	Period	Shareholding at the beginning of the year (as on 01.04.2017)		Transactions during the year		Cumulative Shareholding during the year (as on 01.04.2017 to 31.03.2018)	
		No. of Shares	% total Shares of the Company	Date of transaction	No. Of shares	No. of Shares	% of total Shares of the Company
<b>1</b>	Ujwal R Lahoti	325100	10.84			325100	10.84
	Transmission-In	-	-	21.07.2017	100000	425100	14.17
	At the end of the Year					425100	14.17
<b>2</b>	Umesh R Lahoti	250000	8.33			250000	8.33
	At the end of the Year					250000	8.33
<b>3</b>	Jayashri U Lahoti	100000	3.33			100000	3.33
	At the end of the Year					100000	3.33
<b>4</b>	Manjushri Umesh Lahoti	100000	3.33			100000	3.33
	At the end of the Year					100000	3.33
<b>5</b>	Rukmini R Lahoti	100000	3.33			100000	3.33
	Transmission-Out			21.07.2017	100000	100000	3.33
	At the end of the Year					0	0.00
<b>6</b>	R K Lahoti (HUF)	42500	1.42			42500	1.42
	At the end of the Year					42500	1.42



# Hind Commerce Limited

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

Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
	No Of shares held	% Of Total Shares Of the Company	Date Of Transaction	No. Of Shares	No Of shares held	% Of Total Shares Of the Company
Krishna Kripa Holdings Private Limited	512500	17.0833			512500	17.0833
At the end of the year					512500	17.0833
Rashyap Impex Private Limited	500000	16.6667			500000	16.6667
At the end of the year					500000	16.6667
Ascent Leasing and Finance Company Limited	443500	14.7833			443500	14.7833
At the end of the year					443500	14.7833
Kishor Shrivallabh Chandak	37500	1.2500			37500	1.2500
At the end of the year					37500	1.2500
Gopal Khadaria	25500	0.8500			25500	0.8500
At the end of the year					25500	0.8500
Navneet Harikishan Lahoti	12500	0.4167			12500	0.4167
At the end of the year					12500	0.4167
Navneet Lahoti	12500	0.4167			12500	0.4167
At the end of the year					12500	0.4167
Indu Navneet Lahoti	12500	0.4167			12500	0.4167
At the end of the year					12500	0.4167
Anjana Mittal	12500	0.4167			12500	0.4167
At the end of the year					12500	0.4167
Anil Kumar Mittal	12500	0.4167			12500	0.4167
At the end of the year					12500	0.4167



# Hind Commerce Limited

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

S.No	Name	Shareholding at the beginning of the year (as on 01.04.2017)		Cumulative Shareholding during the year (as on 01.04.2017 to 31.03.2018)	
		No. of Shares	% total Shares of the Company	No. of Shares	% of total Shares of the Company
<b>A</b>	<b>DIRECTORS:</b>				
1	Umesh R Lahoti (MD/KMP)	250000	8.33	250000	10.84
2	Ujwal R Lahoti	325100	10.83	425100	14.17
3	Prakash R Bang	0	0	0	0
4	Sanjay R Soni	0	0	0	0
5	Meghna V Panchal	0	0	0	0
<b>B</b>	<b>KEY MANAGERIAL PERSONNEL:</b>				
6	Rajesh Bangera	0	0	0	0
7	Pragati Sawant	0	0	0	0

## V. INDEBTEDNESS

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

(Rs. in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i.e. 01.04.2017	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year 2017-2018	-	-	-	-
Addition	-	-	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-



# Hind Commerce Limited

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

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

(Rs. in Lakhs)

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

### B. Remuneration to other Directors:

#### Independent Directors:

(in Rs.)

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



# Hind Commerce Limited

## Other Non-Executive Directors:

(in Rs.)

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

Total (B1) + Total (B2) = Nil

## C. Remuneration to Key Managerial Personnel:

(Rs. in Lakhs)

Sr No	Particulars of Remuneration	Name of KMP			Total Amount
		Umesh Lahoti Managing Director	Rajesh Bangera CFO	Pragati Sawant Company Secretary	
	Gross salary	-	-	-	-
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	3.84	1.44	5.28
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>	-	3.84	1.44	5.28





# Hind Commerce Limited

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

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

**For and on behalf of the Board**

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

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

Place: Mumbai  
Date: 14<sup>th</sup> August, 2018



# Hind Commerce Limited

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

To  
The Members of  
**HIND COMMERCE LIMITED**

I, Umesh Lahoti, Managing Director of Hind Commerce Limited hereby declare that all the members of the Board of Directors and the senior management personnel have affirmed compliance with the Company's Code of Business Conduct and Ethics for the Financial Year ended 31<sup>st</sup> March, 2018.

**For Hind Commerce Limited**

**Umesh R. Lahoti  
Managing Director  
DIN:00361216**

**Place: Mumbai  
Date: 14<sup>th</sup> August, 2018**



# Hind Commerce Limited

## Management Discussion & Analysis

### **Industry Structure and Development**

The Textile Industry in India accounts for 14% of the total Industrial production leading to 4% of the GDP of the Country which is one of the significant contributors to the Indian economy. During the year 2017-2018, the Cotton Textile Industry has been under stress because of market trends. After witnessing challenges during the year 2013 and for most part of 2014 given unfavorable economic conditions, the Indian textiles and garments sector has seen reversal of trends in second half of 2014. The steep decline in exports of cotton yarn to China has created over supply and price decline in the domestic market.

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

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

### **Opportunities and Threats**

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

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

### **Outlook**

The long term objective of the Company is to remain strong player in the cotton textiles export market with strong emphasis on product and market development, value added yarns, customer services and Technology Up gradation. Your Company is also continuously improving its operational efficiency, and cost control which alone can improve the bottom



# Hind Commerce Limited

line in future in highly competitive environment. Further, your Company is hopeful to get advantage of the overall good times likely to come for the Indian Cotton Textile Industry and will do all out efforts to secure the bigger share of the increasing market in future.

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

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

## **Risks and Concern**

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

## **Internal Control Systems and their adequacy**

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

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



# Hind Commerce Limited

## Financial and Operational Performance

During the year under review your Company has reported a total income of Rs. 110.59 Lakhs when compared to previous years proceeds of Rs. 453.62 Lakhs.

## Liquidity and Capital Resources

Particulars	2017-2018 (Rs. in Lakhs)	2016-2017 (Rs. in Lakhs)
<b>Cash and Cash Equivalents –</b>		
Beginning of the year	6.30	6.38
End of the year	19.56	6.30
<b>Net Cash provided (used) by -</b>		-
Operating activities	68.60	(97.09)
Investment activities	(44.11)	101.57
Financial activities	-	-

The net cash inflow in the operating activities during the year under review has been Rs.68.60 Lakhs as compared to cash outflow of Rs. 97.09 Lakhs in previous year. Further, there is cash outflow in investment activity of Rs.44.11 Lakhs as compared to inflow of Rs. 101.57 Lakhs in previous year. The Cash outflow from financial activities is Nil for the year under review.

## Material Developments in Human Resources

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

There were 2 permanent employees on the rolls of the Company as on March 31, 2018.

**For and on behalf of the Board**

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

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

Place: Mumbai

Date: 14<sup>th</sup> August, 2018



# Hind Commerce Limited

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF HIND COMMERCE LIMITED

#### **Report on the Ind AS Financial Statements**

1. We have audited the accompanying Ind AS financial statements of Hind Commerce Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management’s Responsibility for the Ind AS Financial Statements**

2. The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these Ind AS financial statements to give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditors’ Responsibility**

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



# Hind Commerce Limited

misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

## Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## Other Matters

9. The comparative financial information of the Company as at and for the year ended 31<sup>st</sup> March, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose reports for the year ended 31<sup>st</sup> March, 2017 and March 31, 2016 dated May 30, 2017 and May 30, 2016, respectively expressed unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.  
Our opinion on the Ind AS financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

## Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



# Hind Commerce Limited

- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure “B” .
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
  - i. The Company does not have any pending litigation which would impact its financial position in its Ind AS financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has not been an occasion in case of the Company during the year under report to transfer any amounts to the Investor Education & Protection Fund and, therefore, the question of delay in transferring such amounts does not arise.

**For S. S. Rathi & Co**  
**Chartered Accountants**  
**(Firm Regn. No.108726W)**

**D. P. Rathi**  
**Partner**  
**Mem. No. 042068**

**Place : Mumbai**  
**Dated : 30<sup>th</sup> May, 2018**





# Hind Commerce Limited

## ANNEXURE “A” TO INDEPENDENT AUDITORS' REPORT (Referred to in paragraph (10) of our Report of even date)

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



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come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

11. The Company has neither paid nor provided for any managerial remuneration. Accordingly, the provisions of clause 3(xi) of the Order are not applicable to the Company.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Company.
13. According to the information and explanations given to us, all transactions with the related parties are in compliance with Section 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements as required by the applicable Indian Accounting Standards.
14. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
16. The Company is not required to be registered under section 45 –IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

**For S. S. Rathi & Co**  
**Chartered Accountants**  
**(Firm Regn. No.108726W)**

**D. P. Rathi**  
**Partner**  
**Mem. No. 042068**

Place : Mumbai  
Dated : 30<sup>th</sup> May, 2018



# Hind Commerce Limited

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

**Referred to in paragraph 10(f) of the Independent Auditor’s Report of even date to the members of Hind Commerce Limited on the Ind AS financial statements for the year ended 31<sup>st</sup> March, 2018**

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

1. We have audited the internal financial controls over financial reporting of Hind Commerce Limited (“the Company”) as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

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

#### **Auditors’ Responsibility**

3. Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under section 143(10) of Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.



# Hind Commerce Limited

## **Meaning of Internal Financial Controls over Financial Reporting**

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

## **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

## **Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

**For S. S. Rathi & Co**  
**Chartered Accountants**  
**(Firm Regn. No.108726W)**

**D. P. Rathi**  
**Partner**  
**Mem. No. 042068**

Place : Mumbai  
Dated : 30<sup>th</sup> May, 2018



# Hind Commerce Limited

<b>BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2018</b>				
	Note	As at		As at
		31st March, 2018		31st March, 2017
		Amt (Rs.)		Amt (Rs.)
<b>ASSETS</b>				
<b>Non-current Assets</b>				
Investments in Subsidiaries	2	NIL	NIL	500,000
<b>Financial Assets</b>				
Investments	2	112,446,142	105,003,051	98,550,472
Current Tax Assets (Net)	3	NIL	17,441	46,117
Other Non-current Assets	4	321,137	26,210	26,210
		112,767,279	105,046,702	99,122,799
<b>Current Assets</b>				
<b>Financial Assets</b>				
Trade Receivables	5	NIL	8,296,196	NIL
Cash and Cash Equivalents	6	1,955,549	629,698	637,753
Loans	7	2,518,557	2,611,051	3,131,648
Other Financial Assets	8	350,000	350,000	350,000
Other Current Assets	9	11,720	8,000	239,658
		4,835,825	11,894,945	4,359,058
<b>TOTAL ASSETS</b>		<b>117,603,104</b>	<b>116,941,647</b>	<b>103,481,858</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	10	30,000,000	30,000,000	30,000,000
Other Equity	11	84,807,940	83,522,264	69,848,641
		114,807,940	113,522,264	99,848,641
<b>Non-current Liabilities</b>				
Deferred Tax Liabilities (net)	12	2,383,792	2,644,968	3,236,090
		2,383,792	2,644,968	3,236,090
<b>Current Liabilities</b>				
<b>Financial Liabilities</b>				
Other Financial Liabilities	13	136,145	62,250	323,125
Other Current Liabilities	14	208,183	76,753	74,001
Current Tax Liabilities (Net)	15	67,043	635,411	NIL
		411,371	774,414	397,126
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>117,603,104</b>	<b>116,941,647</b>	<b>103,481,858</b>
Basis of preparation, measurement and significant accounting policies	1			
<b>The accompanying notes are an integral part of these financial statements</b>				
As per our report of even date		For and on behalf of Board of Directors		
<b>For S. S. Rathi &amp; Co</b>				
<b>Chartered Accountants</b>				
<b>(Firm Regn. No.108726W)</b>				
<b>D. P. Rathi</b>		<b>Umesh Lahoti</b>		<b>Ujwal Lahoti</b>
<b>Partner</b>		<b>Managing Director</b>		<b>Director</b>
<b>Mem. No. 042068</b>		<b>DIN:00361216</b>		<b>DIN:00360785</b>
<b>Place : Mumbai</b>		<b>Rajesh Venket Bangera</b>		<b>Pragati P. Sawant</b>
<b>Dated : 30th May,2018</b>		<b>Chief Financial Officer</b>		<b>Company Secretary</b>



# Hind Commerce Limited

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

	Note	Year ended	
		31st March, 2018	31st March, 2017
		Amt (Rs.)	Amt (Rs.)
<b>Revenue</b>			
Revenue from Operations	16	5,339,236	39,469,275
Other Income	17	5,719,332	5,892,476
<b>Total Revenue</b>		<b>11,058,568</b>	<b>45,361,751</b>
<b>EXPENSES</b>			
Purchases of Stock-in-Trade	18	5,360,950	37,893,286
Employee Benefits Expenses	19	528,023	534,969
Finance Costs	20	56,469	49,849
Other Expenses	21	802,946	1,990,635
<b>TOTAL EXPENSES</b>		<b>6,748,388</b>	<b>40,468,739</b>
<b>Profit before tax</b>		<b>4,310,179</b>	<b>4,893,013</b>
<b>Tax Expenses</b>			
Current tax	12	515,703	1,085,591
Deferred tax		101,069	(615,103)
Tax adjustment of previous year		Nil	(13,770)
Total of Tax Expense		<b>616,772</b>	<b>456,718</b>
<b>Profit For The Year (A)</b>		<b>3,693,408</b>	<b>4,436,294</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Net fair value gain/(loss) on investments in equity instruments through OCI		(2,769,976)	9,261,310
Income tax benefit/(expense) on net fair value gain/(loss) on investments in equity instruments through OCI		362,245	(23,981)
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)</b>		<b>(2,407,732)</b>	<b>9,237,329</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)</b>		<b>1,285,676</b>	<b>13,673,623</b>
<b>Earnings per equity share of face value of Rs.10/- each</b>			
Basic and Diluted (Rs.)	27	1.23	1.48
Basis of preparation, measurement and significant accounting policies	1		
<p>The accompanying notes are an integral part of these financial statements As per our report of even date <b>For S. S. Rathi &amp; Co</b> <b>Chartered Accountants</b> <b>(Firm Regn. No.108726W)</b></p> <p><b>D. P. Rathi</b> <b>Partner</b> <b>Mem. No. 042068</b> Place : Mumbai Dated : 30th May,2018</p> <p><b>For and on behalf of Board of Directors</b></p> <p><b>Umesh Lahoti</b> Managing Director DIN:00360785</p> <p><b>Rajesh Venket Bangera</b> Chief Financial Officer</p> <p><b>Ujwal Lahoti</b> Director DIN:00360785</p> <p><b>Pragati P. Sawant</b> Company Secretary</p>			



# Hind Commerce Limited

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

	Year ended 31st March, 2018	Year ended 31st March, 2017
	Amt (Rs.)	Amt (Rs.)
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Profit before exceptional items and tax</b>	4,310,179	4,893,013
<i>Adjustments for:</i>		
Interest on Income-tax Refund	Nil	(1,484)
Interest income	(12,569)	(106,907)
Dividend income	(316,711)	(108,228)
Fair value (gain)/loss on investments	(2,310,360)	673,563
Net (gain)/loss on sale of investments	(1,606,835)	(6,809,716)
Share of (Profit)/loss from Partnership Firm	(1,463,872)	Nil
Interest on deferment of advance tax	56,469	49,820
Expenses incidental to Investments	575	23,852
<b>Cash (used in)/generated from operations before working capital changes</b>	<b>(1,343,124)</b>	<b>(1,386,087)</b>
<i>Adjustments for:</i>		
(Increase)/decrease in Other Non-current Assets	(294,927)	Nil
(Increase)/decrease in Trade Receivables	8,296,196	(8,296,196)
(Increase)/decrease in Other Current Assets	(3,720)	231,658
Increase/(decrease) in Other Current Financial Liabilities	73,895	(260,875)
Increase/(decrease) in Other Current Liabilities	131,430	2,752
<b>Cash (used in)/generated from operations</b>	<b>6,859,750</b>	<b>(9,708,748)</b>
Taxes paid (net of refunds)	(1,123,099)	(456,070)
<b>Cash flow before exceptional items</b>	<b>5,736,651</b>	<b>(10,164,818)</b>
<b>Net cash (used in) / generated from operating activities - [A]</b>	<b>5,736,651</b>	<b>(10,164,818)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Expenses incidental to Investments	(575)	(23,852)
Loans advanced received back	92,494	520,597
Purchase of Non-current investments	(23,650,000)	NIL
Sale proceeds of Non-current investments	18,818,000	9,444,884
Interest received	12,569	106,907
Dividend received from others	316,711	108,228
<b>Net cash (used in) / generated from investing activities - [B]</b>	<b>(4,410,801)</b>	<b>10,156,764</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>	NIL	NIL
<b>Net cash (used in) / generated from financing activities - [C]</b>	<b>NIL</b>	<b>NIL</b>



# Hind Commerce Limited

	<b>Net increase/(decrease) in cash and cash equivalents - [A+B+C]</b>	<b>1,325,850</b>	<b>(8,055)</b>
	<b>Add: Cash and cash equivalents at the beginning of the year (refer Note 6)</b>	<b>629,698</b>	<b>637,753</b>
	<b>Cash and cash equivalents at the end of the year (refer Note 6)</b>	<b>1,955,548</b>	<b>629,698</b>
<b>Note:</b> The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.			

**The accompanying notes are an integral part of these financial statements**

**For S. S. Rathi & Co**  
**Chartered Accountants**  
**(Firm Regn. No.108726W)**

**D. P. Rathi**  
**Partner**  
**Mem. No. 042068**  
Place : Mumbai  
Dated : 30th May,2018

**For and on behalf of Board of Directors**

**Umesh Lahoti**  
Managing Director  
DIN:00360785

**Rajesh Venket Bangera**  
Chief Financial Officer

**Ujwal Lahoti**  
Director  
DIN:00360785

**Pragati P. Sawant**  
Company Secretary





# Hind Commerce Limited

## Notes to the financial statements for the year ended 31st March, 2018

### **Note 1**

#### **I COMPANY INFORMATION**

Hind Commerce Limited was incorporated as a Public Limited Company with the Registrar of Companies, Punjab & Chandigarh vide Certificate of Incorporation dated October 19, 1984. Subsequently, the Company by special resolution and confirmed by an order of Company Law Board, New Delhi dated November 10, 1994 shifted the registered office from the State of Punjab to the State of Maharashtra. At present, the Company is engaged in the business of trading of cotton yarn and fabrics both in the domestic and international markets. The Company's head office is situated at Tardeo, Mumbai.

#### **II BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES**

##### **(A) BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by the Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These financial statements for the year ended 31st March, 2018 are the first the Company has prepared under Ind AS. For all periods upto and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') used for its statutory reporting immediately before adopting Ind AS. The financial statements for the year ended 31st March, 2017 and the opening Balance Sheet as at 1st April, 2016 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from the Previous GAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in Note 22.

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

##### **(B) KEY ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of the financial statements requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates. The estimates and



# Hind Commerce Limited

## Notes to the financial statements for the year ended 31st March, 2018

judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle of twelve months and other criteria set out in Schedule III to the Companies Act, 2013.

### (C) SIGNIFICANT ACCOUNTING POLICIES

#### i Investments in Subsidiaries:

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e. 1st April, 2016.

#### ii Inventories:

Inventories 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'. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

#### iii Cash and Cash Equivalents:

Cash and cash equivalents are short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

#### iv Financial Instruments:

##### Financial Assets Initial recognition:

The Company recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value measured on initial recognition of financial asset. Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in



# Hind Commerce Limited

## Notes to the financial statements for the year ended 31st March, 2018

an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input). In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset. However, trade receivables that do not contain a significant financing component are measured at the transaction price.

### Subsequent measurement:

Financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL) on the basis of both:

- (a) the entity's business model for managing the financial assets, and
- (b) the contractual cash flow characteristics of the financial assets.

**(a) Measured at amortised cost:** Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any, is recognised in the Statement of Profit and Loss. This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

**(b) Measured at fair value through other comprehensive income:** Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any, are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

Further, the Company, through an irrevocable election at initial recognition, has measured investments in equity instruments at FVTOCI. The Company has made such election on an instrument by instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI. However, the Company recognizes dividend income from such instruments in the Statement of Profit and Loss. On derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is not reclassified from the equity to Statement of Profit and Loss. However, the Company may transfer such cumulative gain or loss into retained earnings within equity.



# Hind Commerce Limited

**(c) Measured at fair value through profit or loss:** A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI. This is a residual category applied to all other investments of the Company excluding investments in subsidiary. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

## **Derecognition**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

## **Impairment of Financial Assets**

Expected credit losses are recognized for all financial assets subsequent to initial recognition.

For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12-month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

## **v Financial Liabilities:**

### **Initial recognition and measurement:**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value. Transaction costs that are directly attributable to the financial liabilities (other than financial liability at fair value through profit or loss) are deducted from the fair value measured on initial recognition of financial liability.

### **Subsequent measurement:**

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

## **Derecognition**

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.



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## **vi FAIR VALUE MEASUREMENT:**

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received on sell of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: - in the principal market for the asset or liability, or - in the absence of a principal market, in the most advantageous market for the asset or liability. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly Level 3 — inputs that are unobservable for the asset or liability For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

## **vii Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are neither recognized nor disclosed except when realisation of income is virtually certain, related asset is disclosed.



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## **viii Revenue Recognition:**

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, etc.

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

Dividend income on investments is recognised when the right to receive dividend is established.

Interest income is recognized on a time proportionate basis taking into account the amounts invested and the rate of interest. For all financial instruments measured at amortised cost, interest income is recorded using the Effective interest rate method to the net carrying amount of the financial assets.

## **ix Expenditure:**

Expenses are accounted on accrual basis.

## **x Employee Benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for services rendered as a liability.

## **xi Income Taxes:**

Income tax expense for the year comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent it relates to a business combination or to an item which is recognised directly in equity or in other comprehensive income. Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961. Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.



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A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off corresponding current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

## **xii Foreign Currencies:**

a) Initial Recognition Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss of the year.

b) Measurement of Foreign Currency Items at the Balance Sheet Date  
Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

## **xiii Earnings Per Share:**

Basic EPS is arrived at based on net profit after tax available to equity shareholders to the weighted average number of equity shares outstanding during the year.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless impact is anti-dilutive.



# Hind Commerce Limited

## xiv Cash flows Statement:

Cash flows are reported using the indirect method where by the profit before tax is adjusted for the effect of the transactions of a non-cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(2) Non-current Investments		31.03.2018		31.03.2017		01.04.2016	
		No. of Units	Amount (Rs.)	No. of Units	Amount (Rs.)	No. of Units	Amount (Rs.)
<b>Non-trade Investments</b>							
<b>a)</b>	<b>Investment in Equity Instruments</b>						
	Eq. Sh of Rs. 2/- each of Lahoti Overseas Ltd.	707500	14,397,625	707500	17,829,000	707500	7,110,375
	Eq. Sh. of Rs. 5/- each of Bharti Airtel Ltd.	NIL	NIL	NIL	NIL	2300	771,075
	Eq. Sh. of Rs. 10/- each of Damodar Industries Ltd. (formerly known as Damodar Threads Ltd)	125	16,125	125	9,819	125	8,156
	Eq. Sh. of Re. 1/- each of Godrej Industries Ltd.	NIL	NIL	NIL	NIL	1501	533,981
	Eq. Sh. of Rs. 2/- each of HDFC Ltd.	NIL	NIL	NIL	NIL	1675	1,861,846
	Eq. Sh. of Rs. 2/- each of ICICI Bank Ltd.	NIL	NIL	NIL	NIL	4000	954,400
	Eq. Sh. of Rs. 10/- each of Indus Fila Ltd.	1000	1,270	1000	1,270	1000	1,270
	Eq. Sh. of Rs. 2/- each of Jai Prakash Associates Ltd.	NIL	NIL	NIL	NIL	5875	50,114
	Eq. Sh. of Rs. 10/- each of Century Enka Ltd.	NIL	NIL	NIL	NIL	120	21,060
	Eq. Sh. of Re. 1/- each of Emami Ltd.	3600	3,844,800	3600	3,797,640	3600	3,319,920
	Eq. Sh. of Rs. 10/- each of Emami Infrastructure Ltd.	400	95,860	400	33,840	400	13,800
	Eq. Sh. of Re. 1/- each of FCS Software Solutions Ltd.	NIL	NIL	NIL	NIL	2000	660
	Eq. Sh. of Rs. 10/- each of Jet Airways(India) Ltd.	NIL	NIL	NIL	NIL	106	60,049





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Eq. Sh. of Re. 1/- each of Provogue India Ltd.	NIL	NIL	NIL	NIL	5	25
Eq. Sh. of Rs. 10/- each of Praj Industries Ltd.	NIL	NIL	NIL	NIL	4560	417,696
Eq. Sh. of Rs. 2/- each of Punjab National Bank Ltd.	NIL	NIL	NIL	NIL	660	57,948
Eq. Sh. of Rs. 10/- each of Sasken Communication Tech.Ltd.	NIL	NIL	NIL	NIL	121	41,152
Eq. Sh. of Re. 1/- each of SBI Ltd.	NIL	NIL	NIL	NIL	9900	1,937,430
Eq. Sh. of Rs. 10/- each of Union Bank of India Ltd.	NIL	NIL	NIL	NIL	1600	222,800
Eq. Sh. of Rs. 5/- each of K.P.R.Mill Ltd.	400	253,540	* 400	263,160	750	613,575
Eq. Sh. of Rs. 2/- each of Larsen & Toubro Ltd.	NIL	NIL	NIL	NIL	1935	2,396,111
Eq. Sh. of Rs. 2/- each of Adani Ports and Special Eco. Zone Ltd	370	131,221	370	125,726	370	89,818
Eq. Sh. of Rs. 5/- each of Nagreeka Exports Ltd	100	2,750	100	3,935	100	2,615
Eq. Sh. of Rs. 10/- each of Power Grid Corp Ltd.	NIL	NIL	NIL	NIL	2500	345,875
*Eq. Sh. of Rs. 10/- each of Reliance Industries Ltd.	2480	2,189,096	1240	1,635,808	1240	1,281,726
Eq. Sh. of Rs. 5/- each of Saamaya Biotech (India) Ltd.	NIL	NIL	NIL	NIL	30000	138,300
Eq. Sh. of Rs. 5/- each of Prime Urban Developement India Ltd.	100	1,610	100	3,675	100	1,690
Eq. Sh. of Rs. 10/- each of SB and T International Ltd.	NIL	NIL	NIL	NIL	300	297
Eq. Sh. of Rs. 2/- each of Prozone Intu Properties Ltd. (formerly known as Prozone Capital Shopping Centres Ltd.)	NIL	NIL	NIL	NIL	5	140
Eq. Sh. of Rs. 5/- each of V2 Retail Ltd.	NIL	NIL	NIL	NIL	49	2,460
**Eq. Sh of Rs. 10/- each of Balchandaram Clothing Ltd.	92500	925,000	92500	925,000	92500	925,000
		21,858,897		24,628,873		23,181,362
<b>b) Investment in Debentures</b>						
Secured Redeemable Non-convertible Debenture of Rs. 100000/- each of Citicorp Finance (India) Ltd.	NIL	NIL	NIL	NIL	50	5,032,500



# Hind Commerce Limited

	Secured Redeemable Non-convertible Principal Protected Market Linked Debentures (NCDs) of Reliance Capital Ltd (RCL MLD Series B/410 – Type IV)	26	2,633,020	26	2,598,242	NIL	NIL
			2,633,020		2,598,242		5,032,500
<b>c)</b>	<b>Investment in units of Mutual Funds</b>						
	HDFC EQUITY SAVINGS FUND-GROWTH	296,559.91	10,246,738	NIL	NIL	NIL	NIL
	HDFC Cash Management Fund T.A.P.- Retail- Growth	1,249,121.08	45,701,218.18	1,338,960.89	46,005,491	1,363,322.02	43,283,975
	Reliance Fixed Horizon Fund XXXII Series4 Regular-Growth	675,621.00	7,528,579.93	675,621.00	6,938,628	NIL	NIL
			63,476,536		52,944,119		43,283,975
<b>B.</b>	<b>Unquoted</b>						
	<b>a) Investment in Equity Instruments</b>						
	<b>Investment in Subsidiary</b>						
\$	Eq. Sh. of Rs.10/-each of Crystal Tradecom Limited	NIL	NIL	NIL	NIL	50000	500,000
			NIL		NIL		500,000
	<b>Investments in other companies</b>						
	Eq. Sh of Rs. 10/- each of Asthvinayak Textile Trading (P) Ltd.	32500	1,712,566	32500	1,712,566	32500	1,661,416
	Eq. Sh of Rs. 10/- each of Janaksuta Textile & Yarn (P) Ltd.	32500	1,559,525	32500	1,559,525	32500	1,660,272
	Eq. Sh of Rs. 10/- each of Mast Mast Textile Trading (P) Ltd.	32500	2,068,754	32500	2,068,754	32500	1,940,101
	Eq. Sh of Rs. 10/- each of Pawansoot Textiles (P) Ltd.	22500	2,421,677	22500	2,421,677	22500	2,290,799
	Eq. Sh of Rs. 10/- each of Step by Step Exports (P) Ltd.	92500	8,768,196	92500	8,768,196	92500	8,200,137
	Eq. Sh. of Rs. 10/- each of Sanghi Spinners India Ltd.	25000	-	25000	-	25000	-
	#Eq. Sh. of Rs. 100/- each of Kirti Stock Brokers Pvt Ltd.	NIL	NIL	NIL	NIL	20000	5,651,877
	Eq. Sh of Rs. 10/- each of Jamvant Textiles (P) Ltd.	34000	2,283,033	34000	2,283,033	34000	2,215,535



# Hind Commerce Limited

	Eq. Sh of Rs. 10/- each of Mansadevi Text & Yarn Supp (P) Ltd.	17000	927,147	17000	927,147	17000	902,300
	Eq. Sh of Rs. 10/- each of Shakambri Fabrics (P) Ltd.	23500	2,603,545	23500	2,603,545	23500	2,528,098
	\$ Eq. Sh. of Rs.10/-each of Crystal Tradecom Limited	50000	485,273	50000	485,273	NIL	NIL
			22,829,717		22,829,717		27,050,535
<b>b)</b>	<b>Investments in Limited Liability Partnership#</b>						
	***Kirti Stock Brokers LLP		1,645,872		2,000,000		NIL
			1,645,872		2,000,000		NIL
<b>c)</b>	<b>Investment in Debentures</b>						
	Debentures of Rs. 30/- each of Rajashree Poly	70	2,100	70	2,100	70	2,100
			2,100		2,100		2,100
	<b>Total Non-current Investments</b>		<b>112,446,142</b>		<b>105,003,051</b>		<b>99,050,472</b>
	<b>Aggregate value of quoted investments</b>		<b>87,968,452</b>		<b>80,171,234</b>		<b>71,497,837</b>
	<b>Aggregate value of unquoted investments</b>		<b>24,477,689</b>		<b>24,831,817</b>		<b>27,552,635</b>
	<b>#Investment in Limited Liability Partnership</b>						
	<b><u>Name of LLP: Kiriti Stock Brokers LLP</u></b>	<b>As At 31.03.2018</b>		<b>As At 31.03.2017</b>		<b>As At 31.03.2016</b>	
	<b><u>Name of the Partner</u></b>	<b>Share in Partners hip (in %)</b>	<b>Capital in Partnershi p Amt(Rs.)</b>	<b>Share in Partners hip (in %)</b>	<b>Capital in Partnersh ip Amt(Rs.)</b>	<b>Share in Partne rship (in %)</b>	<b>Capital in Partnershi p Amt(Rs.)</b>
	Umesh Lahoti	27.77%	2,805,000	27.77%	2,805,000	NIL	NIL
	Ujwal Lahoti	27.77%	2,805,000	27.77%	2,805,000	NIL	NIL
		<b>As At 31.03.2018</b>		<b>As At 31.03.2017</b>		<b>As At 31.03.2016</b>	
	Jayashree Lahoti	12.33%	1,245,000	12.33%	1,245,000	NIL	NIL
	Manjushri Lahoti	12.33%	1,245,000	12.33%	1,245,000	NIL	NIL



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	Hind Commerce Limited	1.80%	182,000	19.80%	2,000,000	NIL	NIL
	Aadhitiya Lahoti	9.00%	909,000	NIL	NIL	NIL	NIL
	Saurabh Lahoti	9.00%	909,000	NIL	NIL	NIL	NIL
	<b>TOTAL</b>	<b>100%</b>	<b>10,100,000</b>	<b>100%</b>	<b>10,100,000</b>	NIL	NIL

\* 1 bonus share received in proportion of 1:1 shares

\*\* Quotation not available and hence market market value taken at cost

# M/s Kirti Stockbrokers Pvt Ltd has been converted into LLP w.e.f. 07.06.2016

\$ Crystal Tradecom Limited ceased to be subsidiary w.e.f 30.03.2017

## Note 3

	As At 31.03.2018	As At 31.03.2017	As At 31.03.2016
<b>CURRENT TAX ASSETS (NET)</b>			
Advance payment of income tax (net)	NIL	17,441	46,117
	<b>NIL</b>	<b>17,441</b>	<b>46,117</b>

## Note 4

### OTHER NON-CURRENT ASSETS

Deposit with Sales Tax Authorities	25,000	25,000	25,000
Other Deposit	1,210	1,210	1,210
Balance with Govt. Authorities	294,927	NIL	NIL
<b>Total</b>	<b>321,137</b>	<b>26,210</b>	<b>26,210</b>

## Note 5

### TRADE RECEIVABLES

(Unsecured, considered good)	NIL	8,296,196	NIL
Outstanding for a period less than six months from the date they are due for payment			
	<b>NIL</b>	<b>8,296,196</b>	<b>NIL</b>

Refer Note 40 for information about credit risk and market risk of trade receivables.

	As At 31.03.2018	As At 31.03.2017	As At 31.03.2016
<b>CASH AND CASH EQUIVALENTS</b>			
Cash on hand	9,956	9,956	1,816
Cheque-on-Hand	1,818,000	NIL	NIL



# Hind Commerce Limited

Balance with Banks

-in Current Accounts 127,593 619,742 635,937

**Total** 1,955,549 629,698 637,753

## **Note 7**

### **CURRENT LOANS**

(Unsecured, considered good)

Loans and advances to employees 76,985 186,920 229,279

Other loans & advances 2,441,572 2,424,131 2,902,369

**Total** 2,518,557 2,611,051 31,31,648

## **Note 8**

### **OTHER FINANCIAL ASSETS**

(Unsecured, considered good)

Sundry Deposits 350,000 350,000 350,000

**Total** 350,000 350,000 350,000

Deposit being interest free security deposit, for Office Premises, to a company in which some of the Directors are interested.

## **Note 9**

### **OTHER CURRENT ASSETS**

Duty Drawback Receivable NIL NIL 234,633

Other advances (including prepaid expenses etc.) 11,720 8,000 5,025

**Total** 11,720 8,000 239,658



# Hind Commerce Limited

## Notes to the financial statements for the year ended 31st March, 2018

	As At 31.03.2018 Amt (Rs.)	As At 31.03.2017 Amt (Rs.)	As At 31.03.2016 Amt (Rs.)
<b>Note 10</b>			
<b>EQUITY SHARE CAPITAL</b>			
<b>Authorised</b>			
1,10,00,000 (P.Y. 1,10,00,000) Equity Shares of Rs. 10/- each	110,000,000	110,000,000	110,000,000
<b>Issued, subscribed and paid-up capital</b>			
3000,000 (P.Y. 3000,000) Equity Shares of Rs. 10/- each fully paid-up	30,000,000	30,000,000	30,000,000
	<b>30,000,000</b>	<b>30,000,000</b>	<b>30,000,000</b>

- The number of shares and amount outstanding at the beginning and at the end of the reporting year is same.
- The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity share is entitled to same rights based on the number of shares held.
- 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	No. of Shares Held Percentage of holding
Five shareholders (P.Y. Five shareholders)	2031000 67.70%	2031000 67.70%	2031000 67.70%

## **Note 11**

### **OTHER EQUITY**

Refer Statement of Changes in Equity for detailed movement in Other Equity balance.

<b>Summary of Other Equity balance.</b>			
Securities Premium Account	1,000	1,000	1,000
Retained Earnings	77,977,343	74,283,935	69,847,641
Items of Other Comprehensive Income			
- Fair value of Equity Instruments through OCI	6,829,598	9,237,329	NIL
	<b>84,807,940</b>	<b>83,522,264</b>	<b>69,848,641</b>



# Hind Commerce Limited

## Notes to the financial statements for the year ended 31st March, 2018

### B. Nature and purpose of reserves

- (a) **Securities Premium Account:** Securities premium account is used to record the premium on issue of shares. This account is utilised in accordance with the provisions of the Act.
- (b) **Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
- (c) **Equity Instruments through Other Comprehensive Income:** This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option.

	Year ended 31.03.2018	Year ended 31.03.2017
<b>Note 12</b>		
<b>INCOME TAXES</b>		
<b>A. The major components of income tax expense for the year are as under</b>		
<b>I. Income Tax Expenses recognised in the Statement of Profit and Loss</b>		
<b>Current tax</b>		
In respect of Current year	515,703	1,085,591
Adjustments/(credits) related to previous years - (net)	NIL	(13,770)
<b>Deferred tax</b>		
In respect of current year	101,069	(615,103)
<b>Income Tax Expenses recognised in the Statement of Profit and Loss</b>	<b>616,772</b>	<b>456,718</b>
<b>II. Tax on Other Comprehensive Income</b>		
<b>Deferred tax</b>		
On net fair value gain/(loss) on investments in equity instruments through OCI	362,245	(23,981)
	<b>362,245</b>	<b>(23,981)</b>

### B. RECONCILIATION OF EFFECTIVE TAX RATE

The reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows :

<b>Statutory income tax rate</b>	<b>25.75%</b>	<b>29.87%</b>
<b>Profit before tax</b>	<b>4,310,179</b>	<b>4,893,013</b>
<b>Income tax as per above rate</b>	<b>1,109,871</b>	<b>1,461,543</b>
Adjustments:		
Expenses not deductible for tax purposes	45,674	78,453
Tax effect due to exempt income	-458,500	-659,999
Deferred Tax effect on Unabsorbed Losses	Nil	-122,019
Others	-80,272	(287,490)
<b>Income tax as per statement of profit and loss</b>	<b>616,772</b>	<b>470,488</b>
Adjustments in respect of current income tax of previous year	Nil	-13,770
<b>Income tax as per statement of profit and loss</b>	<b>616,772</b>	<b>456,718</b>



# Hind Commerce Limited

## Notes to the financial statements for the year ended 31st March, 2018

C. The major components of deferred tax (liabilities)/assets arising on account of timing differences are as follows:

As at 31st March, 2018

Particulars	Balance Sheet 1.4.2017 Amt(Rs.)	Profit and Loss Amt(Rs.)	OCI Amt(Rs.) )	Balance Sheet 31.03.2018 Amt(Rs.)
Provision for expense allowed for tax purpose on payment basis	7,852	428	Nil	8,281
Difference in carrying value and tax base of investments measured at FVTPL	43,541	(502,690)		(459,149)
Difference in carrying value and tax base of investments measured at Fair Value in OCI	(2,944,795)	Nil	362,245	(2,582,551)
MAT Credit Entitlement	248,434	401,193	Nil	649,627
Deferred Tax (Charge)/Credit		(101,069)	362,245	
Deferred Tax (Liabilities)/Assets	<b>(2,644,968)</b>			<b>(2,383,792)</b>

As at 31st March, 2017

Particulars	Balance Sheet 1.4.2016 Amt(Rs.)	Profit and Loss Amt(Rs.)	OCI Amt(Rs.) )	Balance Sheet 31.03.2017 Amt (Rs.)
Provision for expense allowed for tax purpose on payment basis	8,473	(621)		7,852
Difference in carrying value and tax base of investments measured at FVTPL	(450,062)	493,603		43,541
Difference in carrying value and tax base of investments measured at Fair Value in OCI	(2,920,815)		(23,981)	(2,944,795)
MAT Credit Entitlement	126,313	122,121		248,434
Deferred Tax(Charge)/Credit		615,103	(23,981)	
Deferred Tax (Liabilities)/Assets	<b>(3,236,090)</b>			<b>(2,644,968)</b>

### Note 13

#### OTHER CURRENT FINANCIAL LIABILITIES

	As At 31.03.2018 Amt (Rs.)	As At 31.03.2017 Amt (Rs.)	As At 31.03.2016 Amt (Rs.)
Other payables	136,145	62,250	323,125
	<u>136,145</u>	<u>62,250</u>	<u>323,125</u>

There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at 31st March, 2018 (31st March 2017: Nil, 1st April 2016: Nil).





# Hind Commerce Limited

## Notes to the financial statements for the year ended 31st March, 2018

	As At 31.03.2018 Amt (Rs.)	As At 31.03.2017 Amt (Rs.)	As At 31.03.2016 Amt (Rs.)
<b>Note 14</b>			
<b>OTHER CURRENT LIABILITIES</b>			
Salaries, wages, bonus payable	202,183	66,980	65,569
Statutory dues	6,000	9,773	8,432
	208,183	76,753	74,001
<b>Note 15</b>			
<b>CURRENT TAX LAIBILITIES (NET)</b>			
Provision for Income Tax (net)	67,043	635,411	NIL
	67,043	635,411	NIL
		<b>Year ended 31st March, 2018 Amt (Rs.)</b>	<b>Year ended 31st March, 2017 Amt (Rs.)</b>
<b>Note 16</b>			
<b>REVENUE FROM OPERATIONS</b>			
<u>Sales of Products</u>			
-Export Sales of Cotton Yarn		5,186,365	38,346,502
<u>Other Operating Revenue</u>			
Duty Drawback		152,871	1,122,773
		<b>5,339,236</b>	<b>39,469,275</b>
<b>Note 17</b>			
<b>OTHER INCOME</b>			
Interest on Loan		12,569	106,907
Interest on Income-tax Refund		NIL	1,484
Dividend income from Non-current investments		316,711	108,228
Investments measured at fair value through profit or loss		2,310,360	(673,563)
Profit/(Loss) on sale of Investments			
- Non-current		1,606,835	6,809,716
Miscellaneous income		70,000	NIL
Share of Profit from Partnership Firm		1,463,872	NIL
Gain/(Loss) on Foreign Exchange Fluctuation		(61,015)	(460,296)
		<b>5,719,332</b>	<b>5,892,476</b>
<b>Note 18</b>			
<b>PURCHASES OF STOCK-IN-TRADE</b>			
Cotton Yarns		5,360,950	37,893,286
		<b>5,360,950</b>	<b>37,893,286</b>



# Hind Commerce Limited

## Notes to the financial statements for the year ended 31st March, 2018

	Year ended 31st March, 2018 Amt (Rs.)	Year ended 31st March, 2017 Amt (Rs.)
<b>Note 19</b>		
<b>EMPLOYEE BENEFITS EXPENSES</b>		
Salary, bonus etc.	528,023	534,969
	<b>528,023</b>	<b>534,969</b>
<b>Note 20</b>		
<b>FINANCE COSTS</b>		
Interest on deferment of advance tax	56,469	49,820
Interest on TDS	Nil	29
	<b>56,469</b>	<b>49,849</b>
<b>Note 21</b>		
<b>OTHER EXPENSES</b>		
Advertisement Exps	88,072	75,963
Bank charges	47,014	36,178
Demat & Transaction Charges	575	11,177
Clearing and Forwarding Charges	3,790	25,700
Ocean Freight	4,910	550,111
Road Transport	51,000	281,000
Shipment charges	42,403	221,718
Overseas Commission	80,013	NIL
Domain hosting expense	4,000	4,580
Filing , Listing and Annual Custodial Fees	320,200	259,554
Conveyance Expenses	7,800	7,800
Membership and subscription fees	12,650	11,286
Sample charges	605	NIL
Printing and Stationery	77	8,785
Auditors' Remuneration		
- For Statutory Audit	50,000	34,500
- For Tax Audit	NIL	11,500
- For Limited Review	7,500	11,500
- For Other Services	2,500	11,750
Legal & Professional Fees	77,838	129,025
Profession Tax	2,000	2,000
Securities transaction tax	NIL	12,675
Marine Insurance	NIL	67,507
Office & General Exp.	NIL	1,325
Business Promotion Expenses	NIL	215,000
	<b>802,946</b>	<b>1,990,635</b>



# Hind Commerce Limited

## Notes to the financial statements for the year ended 31st March, 2018

### Note 22

#### **FIRST TIME ADOPTION OF IND AS**

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from April 1st, 2017, with a transition date of April 1st, 2016. The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements for the year ended 31st March, 2018, be applied retrospectively and consistently for all financial years presented. However, in preparing these Ind AS financial statements, the Company has availed of certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS:

#### **A. Optional Exemptions**

##### **(i) Investments in subsidiaries**

The carrying amounts of the Company's investments in its subsidiary as per the financial statements of the Company prepared under Previous GAAP, are considered as deemed cost for measuring such investments in the opening Ind AS Balance Sheet.

- (ii) For financial instruments, wherein fair market values are not available (viz. interest free and below market rate security deposits or loans) the Company has elected to adopt fair value recognition prospectively to transactions entered after the date of transition.

#### **B. Mandatory Exceptions from retrospective application**

The Company has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101:

##### **(i) Estimates**

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

##### **(ii) Classification and measurement of financial assets**

The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.



# Hind Commerce Limited

## Notes to the financial statements for the year ended 31st March, 2018

### C. Transition to Ind AS - Reconciliations

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

- I. Reconciliation of Balance Sheet as at 1st April, 2016 & as at 31st March, 2017;
- II. Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017;
- III. Reconciliation of Equity as at 1st April, 2016 & as at 31st March, 2017; and
- IV. Reconciliation of Cash Flow Statement for the year ended 31st March, 2017.

Previous GAAP figures have been reclassified/regrouped, wherever necessary, to conform with financial statements prepared under Ind AS.

#### I. Reconciliation of Balance Sheet as at 1st April, 2016

	Note	Previous GAAP Amt(Rs.)	Ind AS adjustment s Amt(Rs.)	Ind AS Amt(Rs.)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Investments in subsidiaries, associates and joint ventures		500,000		500,000
Financial assets				
Investments	(a)	68,184,723	30,365,749	98,550,472
Non current tax assets (net)		46,117		46,117
Other non-current assets		26,210		26,210
<b>Current assets</b>				
Financial assets				
Cash and cash equivalents		637,753		637,753
Loans		3,131,648		3,131,648
Other financial assets		350,000		350,000
Other current assets		239,658		239,658
<b>TOTAL</b>		<b>73,116,108</b>	<b>30,365,749</b>	<b>103,481,857</b>



# Hind Commerce Limited

## Notes to the financial statements for the year ended 31st March, 2018

### EQUITY AND LIABILITIES

#### Equity

Equity share capital		30,000,000		30,000,000
Other equity	(a) & (b)	42,845,295	27,003,346	69,848,641

#### Liabilities

##### Non-current liabilities

Deferred tax liabilities (net)		(126,313)	3,362,403	3,236,090
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##### Current liabilities

###### Financial liabilities

Other financial liabilities		323,125		323,125
Other current liabilities		74,001		74,001

<b>TOTAL</b>		<b>73,116,108</b>	<b>30,365,749</b>	<b>103,481,857</b>
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### I. Reconciliation of Balance Sheet as at 31st March, 2017

	Note	Previous GAAP Amt(Rs.)	Ind AS adjustments Amt(Rs.)	Ind AS Amt(Rs.)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Investment in subsidiaries, associates and joint venture		Nil		Nil
<b>Financial assets</b>				
Investments	(a)	66,049,555	38,953,497	105,003,051
Non-current tax assets (net)		17,441		17,441
Other non-current assets		26,210		26,210
<b>Current assets</b>				
<b>Financial assets</b>				
Trade receivables		8,296,196		8,296,196
Cash and cash equivalents		629,698		629,698
Loans		2,611,051		2,611,051
Other financial assets		350,000		350,000
Other current assets		8,000		8,000
<b>TOTAL</b>		<b>77,988,150</b>	<b>38,953,497</b>	<b>116,941,647</b>



# Hind Commerce Limited

## Notes to the financial statements for the year ended 31st March, 2018

### EQUITY AND LIABILITIES

#### Equity

Equity share capital		30,000,000		30,000,000
Other equity	(b)	47,470,022	36,052,242	83,522,264

#### Liabilities

##### Non-current liabilities

Deferred tax liabilities (net)		(256,286)	2,901,255	2,644,968
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##### Current liabilities

##### Financial liabilities

Other financial liabilities		62,250		62,250
Other current liabilities		76,753		76,753
Current tax liabilities (Net)		635,411		635,411

<b>TOTAL</b>		<b>77,988,150</b>	<b>38,953,497</b>	<b>116,941,647</b>
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### II. Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017

	Note	Previous GAAP Amt(Rs.)	Ind AS adjustment s Amt(Rs.)	Ind AS Amt(Rs.)
Revenue from operations		39,469,275		39,469,275
Other income	(a)	6,566,039	(673,563)	5,892,476
<b>TOTAL INCOME</b>		<b>46,035,314</b>	<b>(673,563)</b>	<b>45,361,751</b>
<b>EXPENSES</b>				
Purchases of stock-in-trade		37,893,286		37,893,286
Employee benefits expenses		534,969		534,969
Finance costs		49,849		49,849
Other expenses		1,990,635		1,990,635
<b>TOTAL EXPENSES</b>		<b>40,468,739</b>	<b>-</b>	<b>40,468,739</b>



# Hind Commerce Limited

## Notes to the financial statements for the year ended 31st March, 2018

<b>Profit before tax</b>	5,566,575	(673,563)	4,893,013
<b>Tax expenses</b>			
Current tax	1,085,591		1,085,591
- Tax adjustment of previous year	(13,770)		(13,770)
Deferred tax (Charge)/Credit	(b) (129,973)	(485,129)	(615,102)
<b>PROFIT FOR THE YEAR (A)</b>	<b>4,624,727</b>	<b>(188,433)</b>	<b>4,436,294</b>

### OTHER COMPREHENSIVE INCOME

#### Items that will not be reclassified to profit or loss

Net fair value gain/(loss) on investments in equity instruments through OCI		9,261,310	9,261,310
Income tax benefit/(expense) on net fair value gain on investments in equity instruments through OCI		(23,981)	(23,981)

#### OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)

-	9,237,329	9,237,329
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#### TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)

4,624,727	9,048,896	13,673,623
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### III. Reconciliation of Equity

	Note	As at 1st April, 2016 Amt(Rs.)	As at 31st March, 2017 Amt(Rs.)
Total Equity under previous GAAP		72,845,295	77,470,022
Effect of measuring Non-current Investments at fair value	(a)	30,365,749	38,953,497
Deferred taxes	(b)	(3,362,403)	(2,901,255)
Total effect of transition to Ind AS		27,003,346	36,052,242
<b>Equity as per Ind AS</b>		<b>99,848,641</b>	<b>113,522,264</b>



# Hind Commerce Limited

## Notes to the financial statements for the year ended 31st March, 2018

### IV. Effect of Ind AS adoption on the Statement of Cash Flow for the year ended 31st March, 2017

There were no material differences between the Statement of Cash Flows presented under Ind AS and the Previous GAAP.

	Note	Previous GAAP Amt(Rs.)	Ind AS adjustments Amt(Rs.)	Ind AS Amt(Rs.)
Net cash flows from operating activities	(c)	(9,644,222)	(520,597)	(10,164,818)
Net cash flows from investing activities		9,636,167	520,597	10,156,764
Net cash flows from financing activities		Nil	Nil	Nil
<b>Net increase in cash and cash equivalents</b>		<b>(8,055)</b>		<b>(8,055)</b>
Cash and cash equivalents at the beginning of the year		637,753		637,753
<b>Cash and cash equivalents at the end of the year</b>		<b>629,698</b>		<b>629,698</b>

### Notes to the Reconciliations

#### a) Non-current Investments:

In the financial statements prepared under Previous GAAP, Non-current Investments of the Company were measured at cost less provision for diminution (other than temporary). Under Ind AS, the Company has recognised such investments as follows:

- Quoted & Unquoted equity shares - At FVTOCI through an irrevocable election
- Mutual Funds Units - At fair value through profit and loss (FVTPL)
- Debentures or Bonds - At fair value through profit and loss (FVTPL)

Ind AS requires the above investments to be recognised at fair value (except investments in equity shares of subsidiary).

On the date of transition to Ind AS, the difference between the fair value of Non-current Investments as per Ind AS and their corresponding carrying amount as per financial statements prepared under Previous GAAP, has resulted in an increase in the carrying amount of these investments by Rs. 30,365,749/- which has been recognised directly in retained earnings (Equity). Deferred tax liability (net) amounting to Rs. 3,370,876/- has been recognised on such fair valuation gain.

As at 31st March, 2017, the difference between the fair value of Non-current Investments as per Ind AS and their corresponding carrying amount as per financial statements prepared under Previous GAAP, has resulted in an increase in the carrying amount of these investments by Rs. 38,953,497/-. On such fair valuation, net loss amounting to Rs. 673563/- has been recognised in other income in the Statement of Profit and Loss and net gain amounting to Rs. 9,261,310/- has been recognised in OCI. Correspondingly, deferred tax credit amounting to Rs. 493603/- has been recognised in the Statement of Profit and Loss and deferred tax charged amounting to Rs. 23981/- has been recognised in OCI.





# Hind Commerce Limited

## Notes to the financial statements for the year ended 31st March, 2018

The above transition has resulted in increase in equity by Rs. 30,365,749/- as at date of transition to Ind AS and by Rs. 38,953,876/- as at 31st March, 2017. Also, deferred tax on the same has resulted in decrease in equity by Rs. 3,370,876/- as at date of transition to Ind AS and increase in equity by Rs. 469622/- as at 31st March, 2017.

### (b) **Deferred Taxes**

In the financial statements prepared under Previous GAAP, deferred tax was accounted as per the income statement approach which required creation of deferred tax asset/liability on temporary differences between taxable profit and accounting profit. Under Ind AS, deferred tax is accounted as per the Balance Sheet approach which requires creation of deferred tax asset/liability on temporary differences between the carrying amount of an asset/liability in the Balance Sheet and its corresponding tax base.

The application of Ind AS has resulted in recognition of deferred tax on new temporary differences which were not required to be recognised under Previous GAAP. In addition, the above mentioned transitional adjustments relating to current/non-current investments have also led to temporary differences and creation of deferred tax thereon.

The above changes have resulted in creation of deferred tax liabilities (net) amounting to Rs. 3236090/- as at date of transition to Ind AS and Rs. 2,644,968/- as at 31st March, 2017. For the year ended 31st March, 2017, it has resulted in an increase in deferred tax credit by Rs. 4,85,129/- in the Statement of Profit and Loss and recognition of deferred tax expense of Rs. 23981/- in OCI.

### (d) **MAT credit entitlement**

MAT credit entitlement is to be presented under loans and advances in accordance with the Guidance Note on 'Accounting for Credit available in respect of MAT under the Income Tax Act, 1961' issued by ICAI. However, as per Ind AS, MAT credit entitlement is generally recognized as a deferred tax asset with a corresponding deferred tax benefit in the Statement of Profit and Loss. Accordingly, the Company has reclassified the MAT credit entitlement from loans and advances to deferred tax assets.

## **Note 23**

### **FINANCIAL INSTRUMENTS**

#### **ACCOUNTING CLASSIFICATIONS AND FAIR VALUES**

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

The categories used are as follows:

- Level 1: Quoted prices for identical instruments in an active market;
- Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: Inputs which are not based on observable market data.



# Hind Commerce Limited

## Notes to the financial statements for the year ended 31st March, 2018

The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

	Carrying value /Fair value			Level
	As at 31st March , 2018	As at 31st March, 2017	As at 1st April,2016	
Note	Amt (Rs.)	Amt (Rs.)	Amt (Rs.)	
<b>FINANCIAL ASSETS</b>				
<b>Financial assets measured at fair value</b>				
Investments measured at				
i. Fair value through other comprehensive income	44,688,614	47,458,590	50,231,898	<b>Quoted Equity Investment-Level 1; Unquoted Equity investment- Level-3</b>
ii. Fair value through profit and loss	66,109,556	55,542,361	48,316,475	<b>Level-1</b>
<b>Financial assets measured at amortised cost/fair value</b>				
Investments	1,647,972	2,002,100	2,100	
Trade receivables	NIL	8,296,196	NIL	
Cash and cash equivalents	1,955,549	629,698	637,753	
Loans	2,518,557	2,611,051	3,131,648	
Security deposits	350,000	350,000	350,000	
	<b>117,270,247</b>	<b>116,889,996</b>	<b>102,669,873</b>	
<b>FINANCIAL LIABILITIES</b>				
<b>Financial liabilities measured at carrying amount</b>				
Other payables	136,145	62,250	323,125	
	<b>136,145</b>	<b>62,250</b>	<b>323,125</b>	

The Company has disclosed financial instruments such as cash and cash equivalents, trade receivables at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short-term nature.



# Hind Commerce Limited

## Notes to the financial statements for the year ended 31st March, 2018

### **Note 24 FINANCIAL RISK MANAGEMENT**

The Company's principal financial liabilities are trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, investments and cash and cash equivalents that arise directly from its operations. The Company's activities expose it to market risk, liquidity risk and credit risk.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments, including investments and deposits, foreign currency receivables, payables and borrowings.

The Company's overall risk management focuses on the unpredictability of financial market and seeks to minimise potential adverse effects on the financial performance of the Company.

#### **Foreign Exchange Risk:**

Foreign exchange risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates to export of Cotton.

The Company regularly evaluates exchange rate exposure arising from foreign currency transactions. The Company follows the established risk management policies and standard operating procedures.

#### **Interest Rate Risk:**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in prevailing market interest rates. The Company's exposure to the risk due to changes in interest rates is Nil.

#### **Equity Price Risk**

The Company is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade in these investments.



# Hind Commerce Limited

## Notes to the financial statements for the year ended 31st March, 2018

### **Credit Risk:**

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, derivative financial instruments, other balances with banks, loans and other receivables. The Company has adopted a policy of only dealing with counterparties that have sufficiently high credit rating. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties. Credit risk arising from investment in mutual funds, derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the international credit rating agencies. Trade Receivables The Company has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined. Wherever the Company assesses the credit risk as high, the exposure is backed by either bank, guarantee/letter of credit or security deposits. None exist on the Balance Sheet Date.

### **Liquidity Risk:**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's finance team is responsible for managing liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

### **Regulatory Risks:**

The Company is exposed to risks attached to various statutes, laws and regulations including the Competition Act. The Company is mitigating these risks through regular review of legal compliances carried out through internal scrutiny as well as external compliance audits.

### **Capital Risk Management:**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management policy is to ensure that all times, it remains going concern and safeguard interest of its shareholders and stakeholders.

### **Commodity Price Risks:**

The Company is exposed to the risk of price fluctuations of trading goods. The Company proactively manages these risks through forward booking, inventory management and proactive vendor development practices. The Company's reputation for quality, product differentiation and service, with a robust marketing network mitigates the impact of price risk on finished goods.



# Hind Commerce Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

### Note- 25 Segment Reporting

The Company is engaged solely in trading and investment activity during the year and all activities of the Company revolve around this activity. As such there are no reportable segment as defined by Ind AS 108 on Operating Segment issued by the Institute of Chartered Accountants of India.

### Note-26 Related Party Disclosures

i. List of Related Parties with whom transaction have taken place & Relationship.			
Name of the Related Party		Relationship	
a.	Rajesh Bangera	Key Manegerial Person (CFO)	
b.	Pragati Sawant	Key Manegerial Person (CS)	
c.	P.S. Ware Information Pvt. Ltd.	Enterprise over which Key Management Personnel are able to exercise significant influence	
d.	Lahoti Overseas Ltd.	Enterprise over which Key Management Personnel are able to exercise significant influence	
e.	Crystal Tradecom Limited	Subsidiary upto 30.03.2017	

  

ii. Transaction with Related Parties during the year :-		2017-18	2016-17
		Amt(Rs.)	Amt(Rs.)
<b>a.</b>	<b>Key Manegerial Person</b>		
	Interest received	12,569	20,145
	Loan adadvanced received back	94,935	57,359
	Advance against salary given	50,000	30,000
	Advance against salary received back	65,000	15,000
	Salary, Bonus, etc	528,023	534,969



# Hind Commerce Limited

<b>NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018</b>					
iii.	<b>Balance outstanding at the year end is as under :</b>		<b>As At</b>	<b>As At</b>	<b>As At</b>
			<b>31.03.2018</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
			<b>Amt(Rs.)</b>	<b>Amt(Rs.)</b>	<b>Amt(Rs.)</b>
<b>a.</b>	<b>Key Manegerial Person</b>				
	Short-term Loan		76,985	171,920	229,279
	Advance against Salary		NIL	15,000	NIL
	Salary & Bonus Payable		202,183	66,980	65,569
<b>b.</b>	<b>Enterprises over which Key Management personnel are able to exercise significant influence:</b>				
	Deposits Given		350,000	350,000	350,000
	Investments		3,113,000	3,113,000	3,113,000
<b>c.</b>	<b>Subsidiary</b>				
	Investments		NIL	NIL	500000

## Note-27

### Earnings Per Share (EPS)

		<b>2017-18</b>	<b>2016-17</b>
		<b>Amt (Rs.)</b>	<b>Amt (Rs.)</b>
i)	Weighted Average Number of Equity Shares outstanding during the year	3000000	3000000
ii)	Net Profit after tax available for Equity Shareholders (Rs.)	3693408/-	4436294/-
iii)	Basic and Diluted Earnings Per Share (Rs.)	1.23	1.48
iv)	Nominal Value Per Share (Rs.)	10/-	10/-

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

## Note-28

<b>Earnings in Foreign Currency</b>			
FOB Value of Exports		5186365/-	38346502/-

## Note-29

### Previous year figures

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

**For S. S. Rathi & Co**  
Chartered Accountants  
(Firm Regn. No.108726W)

**D. P. Rathi**  
Partner  
Mem. No. 042068  
Place : Mumbai  
Dated : 30th May, 2018

**For and on behalf of Board of Directors**

**Umesh Lahoti**  
Managing Director  
DIN:00360785

**Rajesh Venket Bangera**  
Chief Financial Officer

**Ujwal Lahoti**  
Director  
DIN:00360785

**Pragati P. Sawant**  
Company Secretary